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WEATHER — PARIS: Monday, foggy early, overcast afternoon. 0-8 (32-46). LONDON: Monday, cloudy. Temp. 8-12 (46-54). CHANNEL: Rough. ROME: Monday, foggy. Temps. —1-11 (30-52). NEW YORK: Monday, rain. Temps. 12-17 (54-63).

ADDITIONAL WEATHER — COMICS PAGE

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

Abu Dhabi	5.50 Dirh	Greece	25 Dr.	Netherlands	1.75 Flor.
Algeria	3.00 Din.	India	Rs. 9	Nigeria	70 K.
Austria	12 S.	Iran	95 Rials	Norway	3.25 N.Kr.
Bahrain	0.500 Din	Israel	I.£3.00	Oman	0.540 Rial
Belgium	23 B.Fr.	Italy	500 Lire	Portugal	25 Esc.
Cyprus	300 Mils	Jordan	310 Fils	Qatar	5.00 Rials
Denmark	3.75 D.Kr.	Kenya	Sha. 9.25	Saudi Arabia	4.25 Rials
Dubai	5.50 Dirh.	Kuwait	350 Fils	Spain	50 Ptas.
Egypt	70 P.	Lebanon	P.3.00	Sweden	3.00 S.Kr.
Eire	30 P.	Libya	L.Din. 0.25	Switzerland	1.70 S.Fr.
Finland	3.00 F.M.	Luxembourg	23 L.Fr.	Tunisia	3.25 Din
France	3 F.	Madeira	27.5 Esc.	Turkey	T.L. 37.50
Germany	1.50 D.M.	Malta	22 Cents	U.S. Mil. (Eur.)	$0.35
Great Britain	25 P.	Morocco	3.50 Dr.	Yugoslavia	22 D

No. 30,104 *R PARIS, MONDAY, NOVEMBER 26, 1979 Established 1887

Israel Assigns Egypt Major Sinai Oil Field As Part of Peace Pact

By David K. Shipler

JERUSALEM, Nov. 25 (NYT) — Israel today gave up to Egypt the Alma oil field in the Gulf of Suez, the most serious sacrifice by Jerusalem so far in implementing the peace treaty with Egypt.

At a brief ceremony in Et Tur, a small ghost town on the coast of the Sinai Peninsula, the blue and white flag bearing the Star of David was lowered, and the Egyptian colors were raised — marking Israel's reluctant to complete dependence on foreign sources of oil.

"I am almost sick," said Energy Minister Yitzhak Modai in his office here today. "For a minister of energy anywhere in the world to stop, for any cause, even the best one, in the world, an oil source of 40 percent of your needs, with the potential for supplying all of your energy needs, that is something that is really beyond my own analysis.

"On the other hand," he continued, "what can be more precious to a country that for 31 years has been almost in constant war, than peace with its strongest neighbor? There could not be a heavier, more vital national sacrifice, and to me it's symbolic: It represents Israel's attitude and Israel's large investment in the peace process with Egypt."

The Alma field, explored and developed during the 12-year Israeli occupation of the Sinai, began producing through its nine offshore wells in the spring of 1978, reaching an average daily output of 32,000 barrels, though at times it went as high as 40,000. The Egyptians, who have complained privately about what they consider Israeli overexploitation, reportedly plan to cut production to about 20,000 barrels a day.

The return of the field puts into effect a 15-year commitment by the United States to sell oil to Israel, at market prices, any oil it needs, a guarantee that was made a prerequisite for Prime Minister Menachem Begin's agreeing to hand back the Sinai. However, Mr. Modai said Israel had no need at present to invoke the agreement.

Much of the 160,000 barrels a day that Israel now buys comes from Mexico; exactly how much, Mr. Modai will not say — except that it is less than half. The rest is bought at extraordinarily high prices, he said, through middlemen who usually conceal the sales from the country of origin.

"If I tell you who they are they'd stop supplying," the minister said. "They don't supply directly to Israel." Because of Arab antagonism toward Israel and threats of retaliation against oil companies that sell to Israel, 85 percent of the world's production is ostensibly inaccessible to the Israelis. Therefore the transactions are kept secret.

One condition of the turnover of the Sinai oil fields was an agreement by Egypt to sell Israel 40,000 barrels a day.

The price has been disputed. Al-

(Continued on Page 2, Col. 8)

inside

Euromarket

Special Section in three parts begins today.

Page 7S.

Associated Press

Robert Mugabe, left, and Joshua Nkomo, the Rhodesian guerrilla leaders, speak at a news conference Sunday in Dar es Salaam, Tanzania, after they met officials of Front-line states.

Guerrillas Refuse to Reply On Cease-Fire in Rhodesia

From Agency Dispatches

DAR ES SALAAM, Tanzania, Nov. 25 — After a meeting with leaders of three of Africa's Front-line states, the Patriotic Front guerrilla leaders refused today to reply to Britain's cease-fire proposals for Zimbabwe Rhodesia.

Joshua Nkomo and Robert Mugabe said at a news conference that they would not give Lord Carrington, the British foreign secretary, the reply that he has demanded by tomorrow on the cease-fire proposals. Lord Carrington is the chairman of the London conference on the Rhodesian conflict.

"We're not going to say yes or no to anything," Mr. Nkomo said before he and Mr. Mugabe returned to London. "That's not our position. Our position is to negotiate. If Carrington wants to walk out of Lancaster House [where the conference is being held], let him walk out."

The guerrilla leaders held a six-hour meeting last night with leaders of three Front-line states and reported today that they had the full support of those countries for their position.

The Patriotic Front has presented its own cease-fire proposals, which differ sharply from the British plan. Mr. Mugabe and Mr. Nkomo said that the London conference must reconcile the two plans.

Mr. Nkomo asserted that the British cease-fire plan calls for three Front-line states — Mozambique, Zambia and Botswana — to stop the flow of guerrillas and supplies across their borders, but would do nothing about Zimbabwe Rhodesia's border with South Africa.

"Britain has got to see that what applies to the Front-line states must apply to South Africa," Mr. Nkomo said. "South Africa supplies the regime in Salisbury."

The guerrilla leaders said that they also objected to cease-fire provisions under which guerrilla forces would be moved to designated assembly areas but Rhodesian government forces would be allowed to retain their existing bases.

"This is an unequal situation, a situation where our forces are discriminated against and the rebel [Salisbury] forces given a higher status," Mr. Mugabe said. "If one force is to be put in certain areas then this should apply to both sides equally."

President Julius Nyerere of Tanzania, President Samora Machel of Mozambique and Vice President Quett Masire of Botswana participated in last night's meeting, but the other Front-line states, Zambia and Angola, were not represented.

• Rhodesian planes reportedly bombed a guerrilla camp in Zambia despite the UN Security Council's condemnation of earlier attacks. Page 5.

'Messiah' Reportedly Arrested

Saudis Storm Mecca Site; Part of Mosque in Flames

From Agency Dispatches

RIYADH, Saudia Arabia, Nov. 25 — Saudi troops led by armored personnel carriers routed armed invaders from the upper floor of Mecca's Grand Mosque in a room-by-room battle that left part of the shrine in flames, a diplomat said today.

A Saudi official said that some of the invaders still were holding hostages in the basement. "The whole mosque is under our control," said Sheikh Ahmed Zaki Yamani, the Saudi oil minister. "Some gangs are still in the basement, but there is no danger from them."

The young theology student whose messianic claims launched the attack at the mosque was among the gunmen arrested when government troops stormed the shrine, diplomatic sources said.

The self-proclaimed Mahdi, the messiah prophesied in the Koran, was being interrogated by Saudi authorities, the sources said. After his followers seized the mosque, he demanded that the government abolish radio and television, ban soccer and prohibit women from engaging in business activities.

A diplomat here said that he was told by a Saudi official that the mosque might reopen immediately for prayer services. The siege began last Tuesday when a group of Moslems following the self-proclaimed prophet seized the Moslem world's most sacred shrine.

No Statement

Saudi King Khaled last night ordered his U.S.-trained National Guard troops into a decisive battle for the mosque after losing patience with an earlier plan to try to starve the invaders into surrendering, the diplomat said. Casualties were reported to be heavy and the diplomat said that the end was "dramatic and violent."

The Saudi government did not issue a statement on the fighting and provided no estimates of the number of persons involved. Unofficial estimates put the minimum number of invaders at 200, hostages at 20 and casualties at 50. There were as many as 50,000 worshipers in the mosque when it was seized by the gunmen, believed to be Mahdists, an extremist sect that believes in the imminent appearance of a new Islamic messiah.

It was not known how many invaders or hostages remained in the mosque's basement, or what attempts were being made to drive them out. The diplomat also said that some of the invaders apparently escaped.

The diplomat said that an observer saw two armored personnel carriers aiming heavy fire into the ramparts of the building while other vehicles took up positions outside the mosque.

Clouds of Smoke

After the shooting subsided, clouds of smoke and flames poured from parts of the mosque, and fire fighters attempted to put out the fire. The damage was regarded as a psychological setback to the government, which had hoped to avoid any harm to the building.

The diplomat said that the United States, which has some military advisers here, played no role in the fighting. Incorrect reports that the United States was involved in the seizure prompted anti-U.S. demonstrations in Islamic countries, including the burning of the U.S. Embassy in Islamabad, Pakistan, which left two U.S. soldiers dead.

Western reporters in Saudi Arabia to cover the visit of U.S. Treasury Secretary William Miller were not allowed to go to Mecca. Non-Moslems are forbidden to enter the city. Mr. Miller said yesterday that he was told that the invaders were members of an extremist sect of Saudi Moslems and that the takeover did not involve foreigners, as was rumored at one time.

Saudi officials have said that the invaders would be severely punished. "The Prophet, peace be on him, said that he who comes to you to disunite you and to sow dissension among you, you must behead him," said a decree published by

(Continued on Page 2, Col. 7)

Associated Press

Protesters heckle U.S. Rep. George Hansen on Sunday outside the U.S. Embassy in Tehran.

Seeks Deal With Palestinian Mayors

Israel Said to Be Negotiating Over Shaka

From Agency Dispatches

JERUSALEM, Nov. 25 — Israel is negotiating a deal with Palestinian mayors in the occupied West Bank for the release of imprisoned Nablus Mayor Bassam Shaka and the end of deportation proceedings against him, the mayor of Bethlehem said today.

"A deal is being worked out," Mayor Elias Freij, but he added that negotiations were still bogged over whether Mr. Shaka would be reinstated as mayor.

In another development, Justice Minister Shmuel Tamir today won a statement that the government would not give any specific approval to the creation of individual settlements in the occupied territories without clearing the decision with the Cabinet's Defense Committee.

Mr. Freij said that, in exchange for his release, Mr. Shaka would denounce acts of violence and Palestinian villagers would not press legal proceedings for the early evacuation of the Jewish settlement of Elon Moreh, near Nablus, declared illegal by the Israeli Supreme Court.

Hearing Postponed

Mr. Shaka was arrested Nov. 11 following remarks he made in a private meeting that were construed as supporting indiscriminate terrorism. He was to appeal his expulsion order to a military board tomorrow, but government sources said the board's hearing was postponed, presumably to allow negotiations to proceed.

Mr. Freij said the deal would include the retraction by the West Bank mayors of their collective resignations, submitted to protest Mr. Shaka's arrest.

Meanwhile, hundreds of peace activists demonstrated outside the home of Minister Menachem Begin's office today to protest the government's settlements policy.

On Nov. 15, the Cabinet's Settlement Committee approved a long-range $5-billion plan involving 19 new settlements and the conversion of 12 paramilitary sites into civilian kibbutzim.

Today, in the weekly Cabinet meeting, Mr. Tamir said he wanted to prevent a wrong interpretation that the decision was not linked to considerations of location, budget or the legal status of the land in question.

Mr. Tamir said he and the Democratic Movement he represents are not against settlements, but we insist on settlements in some locations; other places we think it depends on the timing and in some cases we think the settlements are not practical or desired."

Government sources said Mr. Begin was preparing for Cabinet approval a general statement of support for West Bank settlement. It apparently was meant to encourage Jewish families living on the illegal outpost of Elon Moreh to vacate the site peacefully.

UN Unit Makes Report

UNITED NATIONS, N.Y., Nov. 25 (AP) — a UN committee following the situation in the Israeli-occupied Arab territories said Friday that Israel's Supreme Court did not give inhabitants of those territories any protection against expulsion.

The special Committee to Investigate Israeli Practices Affecting Human Rights in the Occupied Territories, in its 138-page 11th annual report to the General Assembly, concluded:

"There is no case on record where a civilian inhabitant of the occupied territories could prevent his expulsion by resort to the court. On the contrary, the courts have endorsed government policy in this respect."

After Visiting Embassy in Tehran

Congressman Says U.S. Hostages Safe

From Agency Dispatches

TEHRAN, Nov. 25 — U.S. Rep. George Hansen was escorted blindfolded today through a crowd of Iranians into the occupied U.S. Embassy, where he met some of the 49 Americans being held hostage and reported that most were well.

As thousands of Iranians thronged the U.S. compound, pledging to follow Ayatollah Khomeini in a "holy war" against the "satanic" United States, the students occupying the embassy for the 22d day invited Rep. Hansen, R-Idaho, who came to Iran on his own initiative, inside to speak with the hostages.

Rep. Hansen reported that, apart from being dirty, most of the hostages were well though one had a mild case of chicken pox and one had a cold.

Pars, the official news agency, reported Acting Foreign Minister Abolhassan Bani-Sadr would fly to New York tomorrow to address the UN Security Council and demand that the United States send Mohammed Reza Pahlavi, the deposed shah, back to Iran. Hours later, a government spokesman said the trip would be put off for a week because of an upcoming religious holiday and a constitution referendum.

Doubts Death Threats

Mr. Bani-Sadr said in an interview with a French radio station broadcast today that he did not believe the students holding the embassy would carry out their threat to kill the hostages if the United States tries to rescue them by force.

"I hope they would not and I do not think they would because the life of a man is the most valuable of things," Mr. Bani-Sadr told the radio station France-Inter.

Mr. Bani-Sadr said that Iran believes it has the right to demand the United States abandon the policy it had with Tehran during the rule of the shah, and would do so.

"To this end, we have no need to take hostages. . .I am of the opinion that they must be released. From the first day I was of the opinion that they must be released," he said.

In another hopeful sign, Rep. Hansen said he had a long talk with the students in the embassy and he said their decision to allow a U.S. official to visit the hostages for the first time was a "great step in the right direction."

He said that he had "open and frank" discussions with the students' leaders and hoped to meet with them again.

Rep. Hansen was surrounded by a good-natured crowd of Iranians as he emerged from the embassy. The crowd began chanting "Yankee Go Home, Yankee Go Home," but quickly switched to "People Yes, Carter No."

Although they agreed to meet Rep. Hansen, the students in the embassy also released an anti-U.S. communique calling on all Moslems to go to war against the United States and "rub America's snout in the dirt."

Rep. Hansen said he saw a number of hostages with their hands loosely tied in front to enable them to read. Most were dirty — not allowed to change their clothes during the 22 days — but otherwise in relatively good health, he said.

"Some of our boys have had a little problems," Rep. Hansen said. "One had some blisters and another had chicken pox. Another one had a cold.

"But most of them had shaken the problem. The chicken pox — you could still see a couple of pocks around. But they were pretty much gone," he said. "Some were sitting and reading. Some were lying on mats" and they "don't get much sunshine. . ."

He said they looked fairly well, "but their mental state seems anxious. They would like to get out. They are anxious for their families to know they are well."

The students holding the hostages under the threat of death have vowed not to free them until the United States returns the deposed shah to Iran to stand trial for his

(Continued on Page 2, Col. 1)

Credit Cards: Europe's Plastic Battlefield

By Axel Krause

PARIS, Nov. 25 (IHT) — Established leaders of the European "plastic" explosion have a controversial newcomer in their midst — Visa International — and the result is a scramble for expanded and improved services by almost all credit card companies.

Although there are thousands of types of credit cards, only a handful are accepted for a wide range of travel and entertainment expenses.

SPECIAL IHT REPORT

American Express pioneered the European market in 1958, joined later by Diners Club, Carte Blanche, Eurocard and Master Charge. According to rough estimates, those five now have total billings of almost $6 billion a year, with 300,000 outlets and 3 million European cardholders.

But Visa alone already claims 9 million cardholders in Europe, with 400,000 outlets and billings of about $4 billion. Worldwide, Visa says, 80 million cards have been issued in the last five years.

Visa executives say that the figures prove that they have already duplicated their startling U.S. success on this side of the Atlantic, and they expect to dominate the European market, where 80 percent of transactions are still in cash.

American Express and other companies that specialize in travel and entertainment account spending brush off any comparison to Visa.

"They are playing the numbers game . . . Visa gives the card to just about anyone who wants it," says Lewis Gerstner, president of American Express' travel-related services group. "We cater to the upper-level, quality market, offering personalized services, such as virtually unlimited use of our card."

"We are also expanding and improving our services all the time," he explained in a telephone interview from New York.

American Express, like the other established companies, expects growth rates in the card business ranging close to 25 percent next year, whatever Visa's inroads might be.

But Visa insists that American Express is one of its major competitors. "We compete with them all over the world and that includes in hotels, and other forms of travel and entertainment-related expenses charged to cards," said Charles Russell, executive vice president of Visa.

"We are simply also going after a wider, more numerous market reflected in our impressive track record to date," Mr. Russell said from Visa's San Francisco headquarters.

Visa, the successor to BankAmericard, is a nonprofit cooperative network of about 13,000 banks linked by computers, plus a staff of 300, most of whom are in San Francisco.

As Visa expanded overseas, the card proved popular because subscription charges were low, collection was flexible and it was widely accepted. Visa officials predict a European growth rate of about 30 percent for their card next year.

"The real key to our success was the name," Mr. Russell said. " 'Visa' is neutral and works everywhere in the world." The name change — from BankAmericard and a variety of other appellations — was completed in 1977, and the card operation is no longer connected with Bank of America.

'For the banks, it means less paperwork . . . and just more volume . . .'

Salaries and operating expenses are funded by a commission on turnover — 1/80 of 1 percent, which still generates millions of dollars. "We are all comfortably paid, but we generate no profits for ourselves — our member banks make the money," Mr. Russell said.

This year, sales volume generated by about 2.9 million retail outlets in 130 countries bearing the Visa label will total $35 billion, up 30 percent from a year ago. Roughly 60 percent of sales are in the United States, but Visa wants to expand its business in Europe from 15 percent of turnover to 40 percent within five years.

"We are growing faster here than in any region in the world," said Raoul Bellanger, Paris-based director of the Carte Bleue group, which comprises 130 major French banks participating in the Visa system. "As Europeans travel more and increasingly shop when they travel, they find it convenient to use our card for most purchases. For us, the banks, it means less paperwork, lending on which we make money and just more volume, which adds up to more profits."

The picture is similar in Britain, where Barclays, the nation's second-largest bank, says that it is delighted with the business that Visa has brought in. Barclays was one of the first banks to sign up with Visa, having had a long-standing cooperation with BankAmericard.

"The card is a cheap, effective way for customers to settle bills and borrow," a Barclays executive said. On card lending alone — a major source of profits, since Visa cards are issued free of charge in Britain — Barclays earned about $20 million last year. "Pure profits, thanks to the Visa card," the executive said.

Visa is not making any apparent headway in Europe's largest economy, West Germany, largely because of the long-established Eurocheque group, a network of several thousand institutions led by the country's major banks. Since 1968, Eurocheque has operated a highly successful combination of personal check service and bank guarantee cards with 30 million cardholders throughout Europe.

As an offshoot, individual banks in Eurocheque — again, starting with West Germany's leading banks — launched the Eurocard system two years ago. Other European banks, including many in Switzerland, Belgium, the Netherlands and Austria, gradually joined. Today, they are united in trying to keep Visa from enlisting West German banks.

"The Visa network in northern Europe is very weak . . . we now have 400,000 cardholders, possibly reaching 2 million by 1985, and we intend to stay strong," said Mark Van Wauwe, Eurocheque's Brussels-based general secretary. He added that his organization's objections to Visa's entry amount to "our wanting to control our market in a European way, through European policies."

Echoing the claims of American Express, Mr. Van Wauwe said: "Visa is a mass credit card, trying to build on a lower travel and entertainment clientele."

2 Million Outlets

West German bankers are reluctant to discuss the matter on the record, but a senior Frankfurt-based executive whose bank actively backs Eurocheque said, "Speaking very personally, we want to keep Visa out of Germany and in our other areas throughout Europe, since we like our system the way it is."

He added, "Most [West German] bankers do not welcome Visa, which is another banking network, and you will not be seeing them around tomorrow."

He noted that Eurocards are accepted in 11 European countries at 170,000 outlets and, through an arrangement with the U.S.-run Master Charge group, at about 2 million addi-

(Continued on Page 2, Col. 3)

Oil States Worried by Extremism

Khomeini Is Seen Unlikely To Rally Islam Against U.S.

By Joseph Fitchett

PARIS, Nov. 25 (IHT) — Ayatollah Ruhollah Khomeini stands little chance of rallying the Moslem world, particularly the oil-producing Arab states, into a solid front waging political and economic war on the United States, Arab and Western analysts say.

But a U.S. miscalculation in the Iranian crisis could inflame Moslem religious feeling and force Arab governments to come to Ayatollah Khomeini's aid, they say. "A U.S. military intervention against Iran in the present circumstances would probably be untenable for Arab governments," a U.S. diplomat said.

On the other hand, an Arab analyst said: "If he starts killing the hostages, then Moslem governments could not object to seeing the U.S. give Khomeini the martyrdom he appears to be seeking."

To arouse Arab feeling, Ayatollah Khomeini has accused the United States of collusion with Israel to attack Mecca and Medina, and linked the incidents to the continuing Israeli occupation of Jerusalem, Islam's third holiest city.

Arab Uncertainty

The Iranian leader's purpose apparently is to gain support from Arab governments, which have ignored his appeals for solidarity with Iran during the U.S. Embassy seizure.

"Most Arab regimes want Khomeini to disappear, but the Gulf states are caught up in terrible uncertainty," an Arab analyst said.

Conservative Arab states are hoping that the Carter administration can wage a war of nerves with Iran until Ayatollah Khomeini discredits himself in other Moslems' eyes.

The oil-producing Arab states on the Gulf worry about the destabilizing effects of the ayatollah's extremism, and also about a revival of Iranian ambitions to dominate the Gulf if the ayatollah acquires pan-Islamic status. At the recent Arab summit in Tunis, ideological rivals Saudi Arabia and Iraq joined in leading a majority consensus to refuse Arab support to Iran, reports from Tunis said.

Even the radical Palestine Liberation Organization, Libya and Syria, who support the Iranian revolution and see the ayatollah as a check to U.S. influence and an ally against Israel, are uncomfortable about the taking of hostages and the ayatollah's religious fanaticism.

Over the Heads

In his latest statements calling on Moslems to defend Islam against the United States, Ayatollah Khomeini is appealing to public opinion over the heads of Arab rulers and trying to incite the religious feelings that often run deeper than nationalism or political loyalty in Moslem countries.

However, Ayatollah Khomeini is unlikely to emerge as a supreme leader of Moslems outside Iran, because his Shiite sect is an Islamic minority — and often a resented minority — in most Moslem countries, specialists say.

The ayatollah's tactics touched off anti-American violence last week in Pakistan, India and Bangladesh, but these incidents were a sudden reaction to false reports of U.S. involvement in the Mecca attack. In some cases, they were exploited for local political objectives. U.S. officials said that the stoning

(Continued on Page 2, Col. 6)

But General Says U.S. Overreacted With Evacuation

Pakistan Admits Army Unprepared for Embassy Attack

By Michael T. Kaufman

ISLAMABAD, Pakistan, Nov. 25 (NYT) — A member of the military Cabinet here conceded yesterday the unpreparedness of Pakistani security forces to deal with the attack on the U.S. Embassy here last Wednesday, but added that he considered the subsequent evacuation of U.S. dependents to be an overreaction on the part of Washington.

Gen. Mujib ur-Rahman, who is secretary of information in the military secretariat, expressed the sorrow of his government for the attack in which two U.S. soldiers were killed and the embassy complex destroyed.

He also addressed the complaints by some U.S. citizens that the Pakistani police and army did not deal forcefully with rioters but allowed them to rampage for more than 5 hours while 90 persons were trapped in a vault of the burning chancellery. "I assure you there was no deliberate delay by anyone. If the reaction was slow by American standards, it could be some lack of communications," he said.

The general deplored the rampage at the embassy as "un-Islamic" and announced that, as provided by international law, his government had accepted the responsiblity for rebuilding the embassy facilities. But throughout the hourlong conference Gen. Mujib held to the Pakistani version of the events.

[Meanwhile a Pakistani government spokesman announced the arrest of 15 suspected leaders of the attack on the U.S. Embassy, the Associated Press reported. More arrests were expected, he said.]

UN Meeting Urged

Six hours after Gen. Mujib's statement, Pakistan formally urged the UN Security Council to meet on the situation in Tehran, saying that it was "deeply disturbed over the possibility of the use of force against Iran."

In a message to the office of Secretary-General Kurt Waldheim, President Mohammed Zia ul-Haq said that his country was "gravely concerned by the rising tension" between the United States and Iran. A news release here announcing the dispatch of the message made it clear that Pakistan was siding with Iran in its conflict with the United States.

"As a brotherly neighbor of Iran, Pakistan cannot remain indifferent to the prospect of force by the United States against it," the statement said. In his letter to the United Nations, Gen. Zia referred to his country as "a brotherly neighbor of Iran and a well-wisher of both Iran and the United States."

Gen. Mujib, in speaking of the attack on the embassy, said that the fury that greeted the news that the holiest shrine of Islam had been occupied in Mecca, Saudi Arabia, could not be anticipated, he said.

Foreign radio reports spawned an erroneous impression that U.S. citizens were involved in the desecration in Mecca, and a crowd, which the general said quickly grew to 20,000, vented its anger at the embassy. The Pakistani authorities sought to cope with the violence as best they could. Whatever were the failures, they were not by design, the general insisted.

Gen. Mujib indicated that the relatively low loss of life was due to the approach taken by the authorities. In addition to the U.S. citizens, two Pakistani employees of the embassy died of asphyxiation and two demonstrators were shot to death by police. "If indiscriminate force had been used," he declared, "then the whole country might have been set on fire."

The army officer reported that 52 demonstrators had been injured and eight policemen hospitalized. He said that 87 rounds were fired as the mob scene began but that the police were soon overrun and their weapons seized. There were no arrests at the scene, but some people have since been detained and others are being questioned.

A week before the attack on the embassy, the government had become aware of the hightened tension and had increased the normal complement of embassy guards from nine to 23, he said. In fact, a protest here by Iranian students had been expected. Ten days ago 58 Iranian students were arrested in Karachi as they attempted to scale the wall of the U.S. Consulate. Since then, Iranian students here had been agitating for their release and holding hunger strikes.

Leaflets Distributed

A Pakistani intellectual, who thinks that there was a degree of planning behind the rampage at the embassy, said that a day earlier students distributed leaflets announcing that Iranian protests against U.S. imperialism soon would move in a new direction. The source said that he felt that the conspirators were eager to embarrass the rule of Gen. Zia. Certainly, relations between Pakistan and the United States, which were deteriorating because of the Washington's pressure against the development of nuclear weapons here, have been strained further.

The general said that the outburst did not represent the feelings of the Pakistani people, and he added that his government would "not allow anything to happen to foreign nationals." In light of such commitments and the apologies from Gen. Zia as well as the thanks and congratulations from President Carter, some Pakistanis found the U.S. withdrawal puzzling. "I would say it is a slight overreaction," said the general.

[The Associated Press reported that West German Ambassador Ulrich Scheske, acting on behalf of the foreign diplomatic corps, formally protested today the failure of Pakistani authorities to protect the U.S. Embassy. A written protest was given to the Pakistani government, but its contents were not made public. A Western diplomatic source described the note as "strongly worded but not abrasive."]

U.S. officials and a local employee carry diplomatic pouches into temporary quarters at the Agency for International Development building in Islamabad, Pakistan, after U.S. Embassy

U.S. Experts Predict Commerce in Shambles

Debt Denial Seen Peril to Iranian Trade

By Robert A. Bennett

NEW YORK, Nov. 25 (NYT) — If Iran has repudiated its foreign debt, as the acting Iranian foreign and finance minister proclaimed Friday, it is cutting itself off from obtaining new commercial foreign credits and probably reducing its international commerce to a shambles, U.S. bankers and economists predict.

They said they were bewildered by the foreign minister's statement that Iran would not pay its foreign debts because they were incurred by the deposed shah. Such a drastic step could only work to Iran's detriment, they said, making Iran even more dependent on uninterrupted production from its oil fields.

Iran's international trade would be thrown into chaos by repudiation, the bankers said. Even if Iran sought to pay for imports with cash, it would be difficult to find the technical channels through which payments could be made, they added. Currently, all trade payments are made through the international banking system, the bankers said.

"If Iran repudiates its debts, their commerce will grind to a halt," George McKinney, senior vice president of the Irving Trust Co., said. "There is no way a nation can engage in international trade in a major way without a continuing means of financing current transactions, and there's no way any nation can finance current transactions when it is failing to honor past obligations."

Cuba was the last nation to repudiate its foreign debts, according to a New York banker, and it took 18 months before it received any financing from commercial banks. Cuba survived because of help from the Soviet Union, he said.

Several lawyers said Friday the announcement would further strengthen the legal position of those U.S. banks that have seized Iranian deposits in their foreign branches and subsidiaries. And U.S. bankers reported that some foreign banks that earlier opposed the seizure of Iranian funds to repay outstanding debts had changed their positions following the announcement by Abolhassan Bani-Sadr.

Iran's creditors throughout the world now can be expected to seize the country's foreign exchange and gold reserves to offset their loans, said G.A. Costanzo, vice chairman of Citibank.

Since Iran's debts and its foreign exchange reserves are about equal, that would wipe out the nation's available cash, he said. Mr. Costanzo, along with all other U.S. economists and bankers reached, disputed Mr. Bani-Sadr's assertion that Iran's total foreign debt amounted to $15 billion. The figure is more likely $10 billion, he said. Other estimates have put Iran's official, nonprivate debt at roughly $6 billion.

Mr. Costanzo said that Iran might have arrived at the $15 billion figure by including all debts that "are in the pipeline" and that have not yet actually been incurred. Some of them debts might not materialize because some exporters might now divert shipments en route to Iran, he said.

The Citibank vice chairman said that within four or five months at most, Iran might become entirely dependent on current petroleum exports to obtain goods from abroad.

Several economists pointed out that Iran was heavily dependent on imports for its food requirements. Agricultural production has declined sharply in recent years, they said, partly because the growth of industry has drawn workers from the farms into the cities.

All the analysts, however, stressed that the Iranian economy was in such a degree of chaos that it was impossible to make objective assessments.

Some said that Iran might turn to bartering its oil for its import needs. They noted that a number of non-Communist coutries, particularly Japan, rely heavily on Iranian oil and that these countries might welcome barters or might even extend direct credits to Iran outside the banking system.

Mr. Bani-Sadr sowed confusion among the world's bankers with his apparently conflicting statements about what debts he was talking about and how much they amounted to.

Repudiation of Iran's entire $15 billion foreign debt would leave U.S. banks unscathed, since they already have seized Iranian deposits in their foreign branches. But West Germany would be especially hard hit, and French, Belgian, Swiss and British institutions also would be affected, U.S. experts said.

"The Germans are nervous as cats," a knowledgeable U.S. analyst said. In his economic statement, Mr. Bani-Sadr first indicated that all foreign debts were to be canceled. But he later said he meant only those involving loans from the 28 private banks — most of them joint ventures between Iranians and foreign interests — nationalized in July.

Friday night he suggested that the debts were contracted by bank managers who suspected the nationalization was imminent and who then diverted funds to their own personal accounts. "How can we accept these debts contracted with plunderers?" he said. "We are not going to pay them."

Six of the 28 nationalized banks have U.S. participation, and U.S. banks are the largest foreign financial institutions working here.

Repudiation Scope Shortened

From Agency Dispatcher

TEHRAN, Nov. 25 — Abolhassan Bani Sadr, who said Friday that Iran will refuse to honor billions of dollars of foreign debts, said shortly thereafter that he was only talking about loans made by 28 private Iranian banks which were nationalized in July.

He said first that Iran was repudiating debts contracted during the rule of the deposed shah.

Hansen Visits Embassy, Says U.S. Hostages Safe

(Continued from Page 1)

life — a demand Washington has refused.

"Pounce upon America, this great Satan, until this world-hungry ghoul is delivered the death blow," the communique, broadcast by the state radio, said.

Rep. Hansen, who arrived in Tehran on Wednesday, was joined today by former Sen. James Abourezk of South Dakota, who arrived in Tehran for another unofficial negotiating attempt.

Mr. Abourezk flew in as yet another would-be mediator, Nobel Peace Prize winner Sean MacBride, returned to Paris today after four days in Tehran.

Mr. MacBride, former director of Amnesty's International, said he thought his mission "had been useful" towards establishing a "diologue" between Iran and the United States.

Pars, in its report about Mr. Bani-Sadr's planned trip to the United Nations, said if necessary he will plead Iran's case directly to the U.S. public, but did not elaborate, and there was no word if he would meet with U.S. officials.

Because of the hostage situation, the United States has refused to import Iranian oil and Mr. Bani-Sadr, speaking in the French radio interview, said economic relations between the nations are undergoing a vast change "and are moving towards being broken totally."

In other developments:

- In Dubai, the United Arab Emirates government posted troops around U.S. and British installations in an effort to prevent attacks by Moslems sympathetic to the embassy occupation in Tehran, or the attack on the U.S. Embassy in Islamabad, Pakistan, where two Americans were killed Wednesday.
- Pars reported the autonomy-seeking Kurds of the northwest have agreed to a 20-day cease-fire in their four-month-old war providing the "withdrawal of all non-native guards from all Kurdish towns within 15 days."

Known for Unexpected

BOISE, Idaho, Nov. 25 (WP) — Throughout his turbulent and controversial five years in Congress, Rep. Hansen habitually has operated outside traditional channels, doing the unexpected and the unconventional.

His spur-of-the-moment decision to fly to Tehran at his own expense on a one-man mission to try to free the 49 U.S. hostages is a natural product of Rep. Hansen's personal and political style.

The Iran trip is not his first foreign policy initiative. Last July, he and another congressman flew to Nicaragua two weeks before President Anastasio Somoza's overthrow to tell the dictator that the United States stood behind him and that U.S. journalists had lied about and distorted his popularity.

Earlier this year, Rep. Hansen waged an independent mail campaign to convince residents of the Panama Canal Zone that it was "not too late for them to save the canal" and urged them to support Congressional attempts to impede passage of the canal treaties.

At 49, the congressman has survived a guilty verdict in a campaign finance law prosecution, a federal judge's assessment that he was "stupid but not evil," a fight with the Internal Revenue Service over charges that he filed late tax returns, selection to the "Dirty Dozen" environmental enemies list and challeneges from within his own party during a career that has repeatedly confounded observers of Idaho's political scene.

He is a devout Mormon with a staunchly conservative voting record, from a rural district of potato and beet farms and cattle ranches.

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Because of Company Profits

Miller Says Saudi Arabia May Raise U.S. Oil Prices

By Steven Rattner

RIYADH, Saudi Arabia, Nov. 25 (NYT) — The secretary of the Treasury, William Miller, said yesterday that Saudi leaders were annoyed at U.S. oil companies for failing to pass the benefits of lower Saudi prices to consumers and that they might raise their prices as a result.

Speaking after a day of meetings with King Khalid and key economic ministers, Mr. Miller said that the Saudis feel they have been taken advantage of by the oil companies.

"They feel the price they are selling at has not gone to the benefit of consumers and that it has been raked off by the oil companies," he said, "and they are very upset about it." Mr. Miller was to meet today with the petroleum minister, Sheikh Ahmed Zaki Yamani.

Saudi Arabia sells most of its crude oil to four large U.S. companies — Exxon, Mobil, Texaco and Standard Oil of California — for $18 a barrel. Most other members of the Organization of Petroleum Exporting Countries charge at least $23.50 a barrel. On the spot market, which handles oil not covered by long-term contracts, some oil has been trading at $45 a barrel.

'Simplistic Approach'

In the last month, the four companies, who are partners in the Arabian American Oil Co., have reported profit increases substantially larger than those of most other oil companies. Critics charge that their prices at the pump are not appreciably lower than those of other companies.

The four have insisted that they are not making extra profits on the Saudi oil. Instead, they attribute the improved profits mostly to overseas operations.

"That merely made them unhappy," Mr. Miller said, speaking of Saudi reaction to the companies' explanation, "because it illustrated that what they see is that they've been taken advantage of. So their message is, either we put in a windfall profits tax or they're going to be raising prices."

That view was echoed by John West, the U.S. ambassador to Saudi Arabia, who said that the Saudis have "the rather simplistic approach that most oil company profit results from their pricing their oil at $18 per barrel, while Iran is pricing its oil at an average of $30 per."

"That's their view," Mr. West said, "and it's going to be pretty hard to change it."

Doubts on Controls

Mr. Miller stopped short of suggesting what steps could be taken to ensure that excessive profits would not be earned from Saudi oil. On the question of price controls, he said he was "not sure price controls can work in this connection" because they would not control international crude oil transactions.

"If all those oil company profits are earned outside the United States, one might assume the $18 oil is going to other markets," Mr. Miller said. "I don't know if they're putting $18 oil into the United States or $25 oil."

But, although the proposed windfall profits tax would also have no effect on international oil transactions, Mr. Miller insisted that approval of the tax would ease Saudi fears. Even so, he conceded, "they'll seek some price increase anyway."

On the question of whether the Saudis would maintain their production rate at the high level of 9.5 million barrels a day, Mr. Miller said, "My guess is that kind of decision won't be made for a while."

Positive Reaction

Mr. Miller spoke at the end of the first day of a five-day tour of the Gulf area, much of it to be spent in Saudi Arabia.

Energy appeared to have dominated yesterday's discussion, and Mr. Miller said that the Saudis had responded positively to his explanation of U.S. efforts at conservation.

Mr. Miller said that he had received no indication that the Sandis planned to drop the dollar as the basis for pricing oil. He also said the Saudi leaders had expressed their understanding of why the United States froze Iranian assets in the United States after the U.S. Embassy in Tehran was seized and hostages taken.

Elephant Herds To Go on the Air

KUALA LUMPUR, Malaysia, Nov. 25 (Reuters) — Elephants in Malaysia are to be fitted with radio transmitters to warn game wardens when herds are heading for crops, the director-general of wildlife and national parks said here today.

Mohammed Kan told the Sunday Mail that lead elephants would be fitted with radio headcollars whose bleeps would signal when hungry herds were leaving the forests in search of food.

Credit Cards: Europe's Plastic Battlefield

(Continued from Page 1)

tional outlets throughout the world, including in the United States.

This does not seem to bother Visa. "We will be present in Germany during 1980 . . . we already have confidential talks under way with several banks," said Joao De Fonseca, Visa's London-based senior vice president.

Meanwhile, the Eurocheque group is launching an expansion program which could affect American Express, as well as Visa, in the smaller but related market of traveler's checks. American Express, with a 51 percent share, dominates that $35-billion-a-year worldwide market, followed by Bank of America and Citicorp, each with 12 percent. Thomas Cook & Sons traveler's checks, now owned by Britain's Midland Bank Ltd., is fourth with 6.5 percent, followed by Barclays (5 percent) and Japanese and West German banks.

Negotiations have begun in Brussels for the sale of Cook's non-sterling traveler's check operations to a group of 56 banks from 16 countries that are grouped within Eurocheque. Midland's asking price: $52 million.

Double Network

Eurocheque would use the Cook traveler's checks as the basis for a European-owned and controlled traveler's check, similar to the Eurocard. "If these negotiations prove successful, we will double our present network, greatly, strengthening our organization particularly in the U.S., Asia and Australia," Mr. Van Wauwe said.

But Visa recently announced its own traveler's check program, which is to begin in Europe when Barclays issues its first Visa traveler's check Jan. 1. Visa's Mr. Russell estimates that in the first year, the Visa traveler's checks will generate more than $3 billion in sales, approaching 10 percent of the market. First National Bank of Chicago and New York-based Golden Pacific National Bank have already started to issue the Visa checks.

"We shall continue to grow and expand," Mr. Russell said, adding: "All these devices — cards and traveler's checks — are simply tools with which we in business compete with each other."

With such intense competition, bankers and businessmen say growth is likely to be determined on how the companies can improve existing services and expand new ones.

Khomeini Seen Unlikely to Unite Isla

(Continued from Page 1)

of the U.S. consulate in Calcutta was organized jointly by the Moslem League and a branch of former Prime Minister Indira Gandhi's party with an eye to India's coming elections.

U.S. diplomats say that the vital Western stake is the reaction of the Arab world to Ayatollah Khomeini's call.

Fragile Security

In the small Arab states of the Gulf, governments are sensitive to any attack on their religious legitimacy, and internal security is fragile. The problem was highlighted by the incidents at the holy places in Saudi Arabia. The rebels apparently were members of the Oteiba tribe, a large bedouin clan in Saudi Arabia's oil-rich Eastern province and in the neighboring United Arab Emirates.

Although the rebels were Sunni Moslems, not Shiites like the Iranians, Arab leaders are afraid that Shiite agitation could spread, first to Shiite minorities in their countries and then even to Sunni Moslem fundamentalist sects.

The West's chances of quarantining Ayatollah Khomeini's influence, diplomats say, are harmed by Western scare stories about the specter of an Islamic uprising against the West. "You have a political problem with Iranian revolutionaries, nationalists and zealots," a European official said, "and you only make new enemies by broadbrush talk about 'Moslems'."

The bogey of a wrathful Moslem world rising up in a vast jihad against the Christian West has deep psychological roots in Western attitudes toward the Middle East, according to Godfrey Jansen, author of a just-published book entitled "Militant Islam."

Mr. Jansen, Middle East correspondent of the weekly The Economist, wrote: "The West has been pressuring and challenging the entire Moslem world in every sort of way . . . and now that the Moslem world through the oil weapon seems given the chance to revenge old wrongs, the West cannot believe that it will not take revenge."

Mr. Jansen is scathingly critical of Ayatollah Khomeini as a short-sighted bigot, but he argues that the West must try to come to terms with Islamic fundamentalism — the trend which Ayatollah Khomeini is exploiting. In recent years, its rise has coincided with unrest across the Arab world from North Africa to the Gulf, in non-Arab Moslem countries like Iran and Turkey, in southern Asia and some African countries, and even in the Philippines.

Islamic revival movements arouse religious fervor and fanaticism about Moslems' politics as well as their morals, because Islam aims to be a total way of life, not just a spiritual belief.

Analysts say that the current wave of Moslem feeling reflects the failure of Western-style modernization in much of the Third World. Puritanical Islamic fervor offers an outlet for widespread frustration, combined with resentment against the Western lifestyles of a well-off local elite amid widespread poverty.

Ayatollah Khomeini has not yet shown that he can achieve the ascendancy in the rest of the Moslem world which he has enjoyed in Iran since ousting the shah.

Preaching that "Moslems should not consider frontiers . . . and don't need any country," Ayatollah Khomeini is reviving the fundamentalist dream of pan-Islamic unity in place of modern nation states. Iran and Pakistan are examples of unsuccessful experiments with a secular state. Some Arab countries, disillusioned with Arab socialism, appear ripe to turn to a form of Islamic state.

The last call for a jihad — when the Turkish sultan called on his co-religionists in 1914 to wage a holy war alongside Germany, Turkey's ally in World War I — fell flat because of the divisions in the Moslem world. The obstacles to a united Moslem front appear equally insurmountable today, Midd analysts say.

Shiites, about one-tenth world's 800 million Moslem a strong position in thre countries: Iraq, Syria and But all three countries' polit cumstances make it diffic them to rally to Iran.

In Iraq, which borders the ruling Sunni minority fe Ayatollah Khomeini wants up Iraq's Shiite majority ruled by a Shiite minority, to face the hostility of the world's Sunnis by joining in front with Iran. Yemen's population would be relu jeopardize its ties with Saudi by supporting revolutionary

However, conservative Ar ernments are anxious not identified yet with any U.S. against Ayatollah Khomeini, ularly in the next few d heightened religious tension up to the Shiite ceremony flagellation this week at A the day commemorating the nation of the Shiite prophet

Saudis Storm Mecca Sit Part of Mosque in Flam

(Continued from Page 1)

the kingdom's ulama, or Islamic scholars.

Their call suggested that gunmen captured by security forces might face the death penalty. Past Saudi executions, including that of the assassin of King Faisal in 1975, have been by beheading with the stroke of a heavy sword.

The ulama issued their decree to back King Khaled's order yesterday to attack the gunmen holding out in the mosque. The king's order marked a reversal of Saudi tactics, which had been to avoid fighting in the holy shrine to prevent the loss of life and damage to the building.

"The ulama unanimously agree that fighting inside the mosque has become permissible," the decree said. "If they fight you, then you must kill them because this is the punishment of the nonbelievers."

The presence of the invaders in the mosque clearly was an embarrassment to the Saudi government, which had claimed for days that the situation was under control. Troops earlier occupied the main floor of the mosque but the invad out in the upper floor, the and the basement.

In Beirut, Lebanon, Shei dullah Alayli, a Moslem said that "scores of Mosle Christian callers are asking end of existence is immine are particularly perturbed the leader of these lunatic a of the holy shrine was refer the Mahdi." He added, "A appearance of the Mahdi, ac to tradition, is part of the that is to precede the doom."

Egypt Gets Sinai Field

(Continued from Page 1)

though details have still n made public, Mr. Modai sa during the first year, sales w the official Egyptian gove price, which in the past h about two-thirds of the w tween the price set by the Or tion of Petroleum Exporting tries and the much higher pr the European spot market, Israel gets most of its oil.

Several years ago, about thirds of Israel's petroleum from Iran, but as the potenti unrest there was detected by raelis, the proportion was cut ually to about 40 percent a time of the revolution, when tollah Ruhollah Khomeini st all exports to Israel.

Demirel Takes Premiership in Vote in Turkey

From Agency Dispatcher

ANKARA, Nov. 25 (AP) — Suleyman Demirel became premier of Turkey today for the sixth time when his minority government won a parliamentary vote of confidence with the help of two rightist parties, including a Moslem fundamentalist group. The vote in the 450-seat assembly was 229-to-208, with 13 members abstaining.

Mr. Demirel's centrist Justice Party has 187 seats in the assembly, 39 short of a majority and 19 less than the seats of Bulent Ecevit's leftist Republican People's Party.

He won the confidence vote with the parliamentary support of the Moslem fundamentalist Nationalist Salvation Party and the National Movement Party and several splinter groups.

Mr. Demirel was named to form the new government last month when Mr. Ecevit, resigned following the defeat of his party in mid-term elections. Mr. Ecevit became premier after Mr. Demirel lost a vote of confidence in December, 1977.

The Moslem party participated in Mr. Ecevit's government in 1974 and held eight cabinet posts in each of the last two Demirel governments. The Nationalist Movement Party was awarded five cabinet posts in the previous Demirel government.

Union Congress Criticizes Spain On Labor Policy

MADRID, Nov. 25 (UPI) — The 12th World Congress of Free Trade Unions has ended a five-day meeting and pledged to work for human as well as union rights.

The 2,000 delegates attending the meeting, which coincided with the 30th anniversary of the World Congress, re-elected Otto Kersten as secretary-general.

At a news conference Friday night, Mr. Kersten criticized the labor relations and union policies of Spain's post-Franco government. He urged the government to return the union properties and goods confiscated by the Franco regime at the end of the Spanish Civil War.

Mr. Kersten also accused Latin America, Iran, South Korea, South Africa, South-West Africa (Namibia) and the Eastern bloc of violating human rights. He said that the congress had denounced Czechoslovakia, Poland and the Soviet Union to the International Labor Organization for failing to fulfill agreements signed with the UN body.

Delegates from 92 nations set full employment and control over multinational corporations as their main priorities for the 1980s. They also emphasized the importance of human rights, cooperation with independent unionists and discussions among developed and underdeveloped nations.

Explosion in Boston Causes Power Outage

BOSTON, Nov. 25 (AP) — An electrical manhole outside a South Boston power plant exploded in flames yesterday, causing a blackout that affected 110,000 residents for several hours, utility officials said.

The blackout occurred shortly before dawn. Boston Edison Co. said that all residential customers had electricity again by about 6:30 p.m., and police reported no problems resulting from the blackout.

U.S. Teen-Age Tries to Hijack Jetliner to Iran

EL PASO, Texas, Nov. 25 — A teen-ager armed with tried to hijack an American Ai jetliner to Iran yesterday, the pilot and passengers host four hours before surrende FBI agents.

Seventy-three persons aboard the aircraft, which w route from San Antonio to Lo geles, when it was seized.

Gerald James Hill Jr., Chester, Mass., was taken in tody by FBI agents after h the seven-member crew and pa gers hostage. He dropped his and surrendered when threa with death, the FBI said. He charged with "crime aboard a craft — attempted hijacking FBI spokesman said.

The FBI would not say wh Hill wanted to go to Iran American Airlines refused to crew members to be intervi Nor was there an explanatio how the man got aboard the jet his knife.

Throughout most of the o the FBI said, Mr. Hill held stewardesses at the front of the plane. FBI agents managed to him toward the rear of the and two armed agents sli aboard between Mr. Hill and hostages.

East Bloc to Confer

MOSCOW, Nov. 25 (AP) — foreign ministers of the War Pact will meet early next month East Berlin, Tass reported today

Major Effort to Upgrade Forces

gypt's Military Strategy ifts From Israel to Africa

By Don A. Schanche

IRO — Less than a month af- gypt and Israel agreed on the of a peace treaty, the Egyp- Army changed the color of its at uniforms from desert khaki gle green.

ior officers said that, if this ved any symbolism it was un- tional, but the switch illustrat- fundamental change in Presi- Anwar Sadat's strategic think-

threat to Egypt is no longer ived as coming from the east- esert, where despite peaceful awals Israel retains an armed ce, but from unsettled re- on the African continent to uth.

recent incident at the head- ers of the American Sinai Mission, which separates ian and Israeli armed forces e desert, demonstrated how eatening the eastern front has ne.

yptian Defense Minister Ka- Hassan Ali and Israeli Defense ter Ezer Weizman paused af- amicable meeting concerning withdrawal arrangements to a game of pool in a recreation While they were relaxing, their remained alert, pending final mentation of the Egypt-Israel 's security arrangements. But r side seriously feared a sud- all to arms against the other.

although the main threat to 's armed forces has been all moved after 30 years of on- ff war, Mr. Sadat is investing effort in toughening and re- ping his forces than at any ince 1973.

status, deployment and even ay scales of the Egyptian forces are kept secret, but n military specialists here for some months noted a ning tempo in the restructur- d training of the army, navy, ce and air defense commands. major reorganization is report- nder way providing for more strike, air-mobile units capa- ranging as far south as Zaire, Mr. Sadat sent air force tech- s to assist President Mobuto eko in 1977.

ording to military sources, a g airlift capacity, including than two dozen new American cargo planes, and heavy em- on training new commando has considerably enhanced adat's ability to move quickly aid of friendly governments threat from a growing Soviet ce on the African continent e Arabian Peninsula.

new mobility also has ed Egypt to run a blitz into more devastating than the lays of punitive attacks that adat undertook against Li- Col. Moamer Qadhafi in July. But observers doubt that has any immediate intention king Libya, despite the pres- f strengthened armored and nk units along the border.

main immediate threat is ered to be the Sudan, where ent Gaafar Nimeiri, who has ed three attempted coups in cade in power, faces serious al problems as well as sporad- essures from Libya and bia, both Soviet client states. ding to knowledgeable ob- s, Mr. Sadat would not besti- o intervene militarily to save imeiri government if it came serious attack.

de from Mr. Sadat's political itment to Maj. Gen. Nimeiri Sudan, Oman and Somalia the only Arab League states that did not break relations with Egypt over the peace treaty with Israel), Egypt perceives a vital strategic interest in maintaining a friendly Sudanese government. Sudan is the pathway of the Nile and any hostile force in a position to threaten the flow of the river would literally hold life or death power over Egypt.

Observers doubt that Mr. Sadat would as readily deploy a substantial force elsewhere in Africa, but they believe he would be prepared to send equipment, technicians and a limited number of troops to Somalia and Zaire if either was seriously threatened by a pro-Soviet takeover, and to Oman if a development there imperiled the Strait of Hormuz, through which much of the world's oil passes from the Gulf.

At present, military analysts in Cairo believe that Mr. Sadat and Gen. Ali were at least technically correct in asserting recently that Egypt now has no combat forces serving outside its borders. But small groups of advisers and technicians reportedly are serving in several foreign posts, and as many as 1,000 officers and men are said to be helping the Sudanese by manning ordnance depots and repair shops and training air force and army officers. And a number of Sudanese are training in Egypt.

While Egypt is not involved anywhere in a direct combat role, observers report that efforts to reorganize the traditionally desert-bound armed forces so that they can quickly respond to more varied international demands, have been accelerated since Egypt and Israel came to terms at Camp David.

A study group has been drawing up plans for major changes aimed at eliminating the Soviet-style organization of the military and replacing it with something more akin to that of the United States and the North Atlantic Treaty Organization forces.

Old Equipment

Recently, the group asked the Pentagon for help and were sent as consultants many of the same officers who planned the reorganization of U.S. forces after Vietnam. The reorganization is expected to take at least two years.

Meanwhile, Egypt's military commanders acknowledge that they must cope with severe problems in equipment, most of which was provided by the Soviet Union before the 1973 Arab-Israeli war. Desert sand and time have seriously weakened Egypt's Soviet-made air defense missile screen. Soviet-made aircraft and helicopters are old and lack parts, and despite efforts to re-equip with Western engines and artillery pieces, many are said to be inoperable.

Although Egypt has been replacing old weapons with new equipment, mainly from France, Britain and the United States, the multiplicity of weapons sources has aggravated the problems of training, maintenance and operation. But despite the problems, observers here report that Egypt's overall strength has not deteriorated significantly since the 1973 war and may even have improved.

A three-year, $1.5 billion combination of military grants and credits from Washington has strengthened the air force. The first dozen of a promised 35 U.S. F-4 Phantom fighter-bombers are already flying over Egypt, using Egyptian pilots and crews trained in California. U.S.

© Los Angeles Times

United Press International

This building in Armenia, Colombia, was flattened by earthquake that struck Friday night.

At Least 60 Killed, 300 Hurt in Colombian Quake

BOGOTA, Nov. 25 (UPI) — Colombia's strongest earthquake in 15 years has affected large areas of the country and rocked parts of Venezuela, leaving at least 60 persons dead and 300 injured.

Damage was heaviest in central and western Colombia, with telecommunications to several interior cities severed. In Bogota, the quake caused blackouts and brief interruptions in communications.

In neighboring Venezuela, Caracas was shaken for 30 seconds by tremors but no injuries or damage were reported.

Trapped in Ruins

In Washington, the Geological Survey said the quake registered 6.4 on the open-ended Richter scale, with its epicenter 150 miles southwest of Bogota.

Dozens of persons were reported trapped in the ruins of buildings that collapsed in Colombia's department (state) of Boyaca, one of four departments hardest hit by the quake.

Manizales, capital of the department of Caldas, took the heaviest jolt. A three-story building under construction collapsed and at least 10 persons were reported trapped.

Officials said 11 persons were killed in the department of Valle, the country's third most important region, when houses caved in. Another 32 persons were reported trapped in the ruins of collapsed buildings in the department of Risaralda.

Police reported at least five dead in the department of Quindio, located about 140 miles west of Bogota.

Yugoslavia, Albania Shaken

From Agency Dispatches

BELGRADE, Nov. 25 — Parts of Yugoslavia and Albania have been rocked by earthquakes but no damage or injuries were reported.

A medium tremor shook the Golija Mountain area, about 170 kilometers south of Belgrade, Friday night, Yugoslavia's Seismological Institute announced yesterday. It registered 3.3 on the Richter scale.

The Albanian news agency said three earthquakes today shook an area of central Albania south of Tirana, the strongest centered on the town of Peqin.

2 Quakes Jolt Iran

LONDON, Nov. 25 (AP) — Two earthquakes shook northeastern Iran Friday night and yesterday morning, according to Tehran radio, monitored here. No casualties were reported. On Sept. 16, 1978, a devastating earthquake in approximately the same area killed 25,000 persons and demolished 40 villages.

Agency Details Vietnam Defoliant Use

U.S. Forces Said Exposed to Herbicide

By Bernard Weinraub

WASHINGTON, Nov. 25 (NYT) — Thousands of U.S. Marines and other soldiers were deployed in areas of South Vietnam that had been sprayed with the herbicide Agent Orange in the Vietnam War, contrary to Defense Department assertions that the affected combat zones had been cleared of U.S. personnel, the General Accounting Office said yesterday.

Agent Orange, which contains dioxin, a highly toxic chemical, was used extensively in the Vietnam War as a defoliant, mainly in the late 1960s. Hundreds of Vietnam veterans have charged that they and their families have suffered severe effects, ranging from sores to cancer and birth defects, as a result of their contact with Agent Orange.

In a nine-page report, the congressional oversight agency labeled as inaccurate the Defense Department's contention that U.S. troops did not enter sprayed areas until approximately six weeks after the defoliant was used. The department had made that contention in a letter last Sept. 4 responding to GAO inquiries.

The agency found that at least 5,900 Marines were within one-third of a mile of the sprayed areas during and shortly after defoliation missions and that another 16,100 Marines were within one-third of a mile of the combat zones within four weeks of spraying. Army troops were also close to areas sprayed with Agent Orange, the agency said. However, the report said, investigators "could not document from available records whether ground troops were actually exposed or the degree of such exposure."

Percy Request

"The chances that ground troops were exposed to herbicide Orange are higher than DOD previously acknowledged," the agency said of the Department of Defense in a letter to Sen. Charles Percy, R-Ill., who requested the study. Sen. Percy is the ranking minority member of the Senate Permanent Subcommittee on Investigations.

Both the Air Force and the Veterans Administration have undertaken studies of Agent Orange, which is a half-and-half mix of two herbicides, 2,4-D and 2,4,5-T. So far, the Veterans Administration has denied that there is any firm evidence linking Agent Orange to illnesses.

Last week in Mineola, N.Y., Judge George Pratt of U.S. District Court ruled that Vietnam veterans allegedly injured by the defoliant and any of their children born deformed could bring suit against five companies that made the chemical.

In two strongly worded letters to Defense Secretary Harold Brown and Max Cleland, the head of the Veterans Administration, Sen. Percy said that he was "alarmed at both the mounting evidence of Agent Orange's toxicity and the increasing numbers of veterans who have claimed they were exposed to the herbicide while in Vietnam."

Sen. Percy was especially critical of recent statements by Defense Department officials that military personnel did not enter areas exposed to Agent Orange until about six weeks after the defoliant had been sprayed.

"I do not understand how it was possible for the Defense Department to be in the dark about what GAO has no trouble finding in the department's own records," Sen. Percy said.

The report said that the Defense Department took few precautions in the late 1960s to prevent the exposure of troops to Agent Orange. "DOD considered herbicide Orange to be a low health hazard," the study said. "Army manuals described herbicide Orange as 'relatively nontoxic to man or animals.' "

The report noted that, as a result of the controversy, the Veterans Administration is developing a list of all Vietnam veterans who have been treated for what they say are herbicide-related health problems. So far, about 4,800 persons have requested treatment. They will be examined annually for five years to determine if they have symptoms linked to Agent Orange.

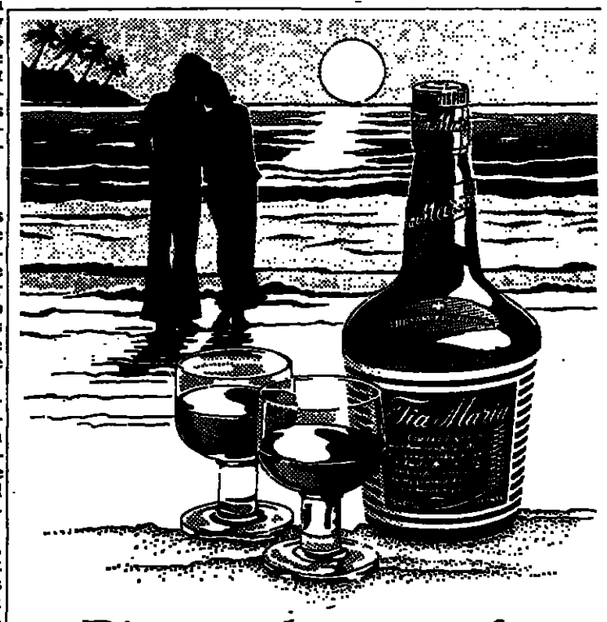
Air Blaze Forces Urgent Landing On Bahama Isle

FREEPORT, Bahamas, Nov. 25 (UPI) — A Mackey Airlines plane with one of its two engines afire and the cabin filling with smoke turned back and made an emergency landing here yesterday after the burning engine fell off.

"You couldn't see your hand in front of your face and we needed the oxygen masks to breathe," said one of the estimated 40 passengers aboard the propeller-driven Convair 440.

William Cousins, Mackey's chief executive officer, said that five persons, including a man who broke his ankle, were injured. But a U.S. Federal Aviation Administration spokesman in Florida said that he was told that 10 persons were hurt.

The passengers were returning to Florida after a five-hour gambling junket at the Freeport casino.



Discover the secret of a memorable evening.

Tia Maria

Chief U.S. Nuclear Aide Boosts Own Role

WASHINGTON, Nov. 25 (WP) — The chairman of the Nuclear Regulatory Commission says he has made himself head of the agency's emergency response team and intends shortly to assume day-to-day direction of NRC operations. Joseph Hendrie thus will take over clear leadership on the five-member commission, assuming the other commissioners go along with his action.

The move, announced in an interview Friday, is an apparent attempt to meet criticism of the NRC by the presidential commission that investigated the accident last March at Three Mile Island. The agency was chided for holding lengthy discussions during the accident when someone should have been making decisions.

Mr. Hendrie said that only a "one-sentence change" in the Energy Reorganization Act of 1974 would legalize his control of the response team, but that no new authority was necessary for him to become principal executive officer.

"We [commission members] just need to agree that the collegial body will deal with rule-making, adjudication, major policy decisions, overall agency and planning guidelines, the budget . . . and any matter the majority of the commission wants to take up," Mr. Hendrie said. "The chairman then runs the agency, carries out the decisions of the group and takes care of all other matters of agency business."

Mr. Hendrie said the change would "clear away some of the problems" of responsibility for daily operations that have paralyzed the agency in the past. Critics have recommended that Mr. Carter replace either Mr. Hendrie or all five commissioners as a signal of concern for nuclear safety.

Mr. Hendrie said he had placed himself in charge of the NRC's emergency response team on an interim basis until the full commission can formalize a crisis-reaction structure. In the event of an emergency, he said, he would assign various commissioners to take care of communicating with key government authorities and agencies, but would oversee the actual reactor emergency response himself.

The new legal authority required would allow Mr. Hendrie to order public utilities to take action directly, rather than requiring those orders to come from NRC's staff, he said.

Tito Meets Danish Aide

BELGRADE, Nov. 25 (Reuters) — President Tito yesterday discussed international issues and bilateral relations with the speaker of the Danish parliament, Knut Anderssen, who is visiting Yugoslavia.

League of Cities Rejects U.S. Bar On Atomic Plants

LAS VEGAS, Nov. 25 — Helped by behind-the-scenes lobbying by utility companies, nuclear power advocates won a key victory here yesterday at a convention of the National League of Cities, the Los Angeles Times reported.

By a lopsided margin, the advocates persuaded a convention committee to eliminate a proposed league policy statement calling on the U.S. government to set an indefinite moratorium on new nuclear power plants. Although it was only a committee debate, pro-nuclear forces said that they attached great significance to the outcome.

The National League of Cities is an established force in Washington and one of the country's biggest urban lobbying organizations. If the policy statement had remained, the league would have aligned itself with anti-nuclear forces in pressing President Carter and Congress for a moratorium.

The proposed moratorium would apply to both construction and operating licenses. It would prevent new starts and keep plants under construction from going into operation.

U.S. Says Median Family Income Rose 2.4% to $17,640 in 1978

WASHINGTON, Nov. 25 (WP) — The median income of all U.S. families reached $17,640 last year, a rise of 2.4 percent over 1977 after adjusting for inflation, the Census Bureau reported yesterday.

The median income is the amount halfway between the highest and lowest. Half of all families earned more than the median, half earned less.

In 1977, the actual dollar median income of U.S. families was $16,000 — so in nominal dollar terms median income rose about $1,600 in 1978. But after adjusting for loss of purchasing power as a result of inflation, the real increase during 1978 was about $414, or 2.4 percent.

The bureau also calculated that in terms of real spending power, median family income rose 6.5 percent from 1970 through 1978, after adjusting for inflation. This is an average of eight-tenths of 1 percent a year — a far slower pace than from 1960 to 1970, when the average rise after inflation adjustment was 3 percent a year. The recession of late 1973 to 1975, when real median income of families actually fell, pulled down the average for the 1970s.

The figures show that, although the U.S. economy is still expanding, income improvements are not moving nearly as fast as they did in the 1960s. At that time, there was a widespread expectation that living standards would simply keep rising at a substantial rate each year.

Sine then, however, the vastly higher cost of imported oil, plus a slowdown in the growth of productivity, has placed a brake on the growth of income. Poverty figures reflect this: The decline in the proportion of poor persons has virtually stopped.

onaligned News Agencies ur Egypt from New Panel

From Agency Dispatches

GRADE, Nov. 25 — Arab ries opposed to Egypt's peace s with Israel yesterday blocked lection of the Egyptian news y MENA to a new coordina- committee of the nonaligned agencies pool.

conference also recommend- increased exchange of news g Third World agencies and news agencies that are not members.

conference ended late last with the adoption of a new, ed 25-member coordinating ittee; it will have 10 repre- ives from Africa, eight from five from Latin America and om Europe.

blocking of the Egyptian y occurred at the end of a day conference to discuss ical, administrative and pro- nal development of the pool, n its fourth year.

Arab Reaction

Arab countries and the ine Liberation Organization d strongly against the propos- MENA for membership in the ination committee. A PLO de- said that, because Egypt's ership in the nonaligned movement had been questioned at the Havana nonaligned summit meeting in September, MENA should not become a member of the committee.

The PLO move was backed by Libya, Syria and other Arab countries as well as by Vietnam, Ethiopia, Zambia and Angola, but some delegates argued that the conference was not a place for political discussions that had been dealt with at the Havana meeting. The Havana gathering had decided to leave the question of Egypt's membership in the nonaligned movement until the next summit meeting.

After a long debate that delayed the conference, the chairman ruled that there was no consensus on the issue, and the Sudanese news agency was elected instead of MENA.

Pero Ivacic, director of the Yugoslav news agency Tanjug, was elected chairman of the pool until the next conference in three years.

Representatives of news agencies in 56 nonaligned countries attended the conference, as well as observers from the United Nations Educational, Scientific and Cultural Organization; from Arab, African and Asian regional news agencies; and from Romania, Austria, Portugal, Spain and Switzerland.

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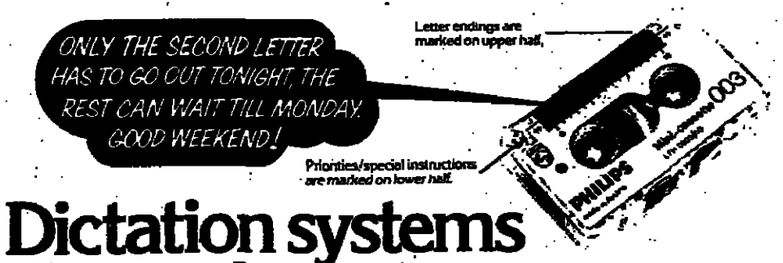

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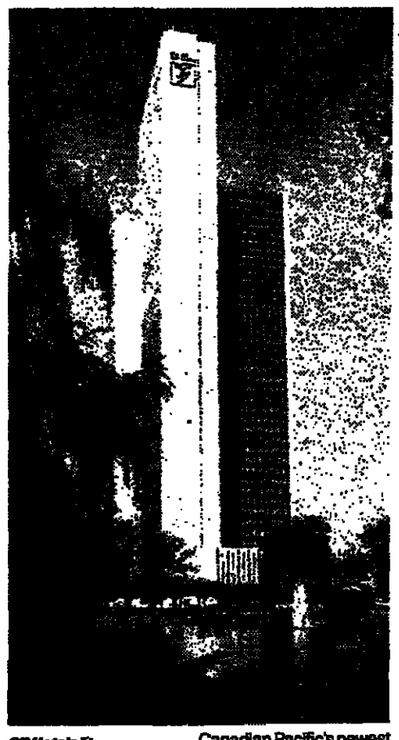

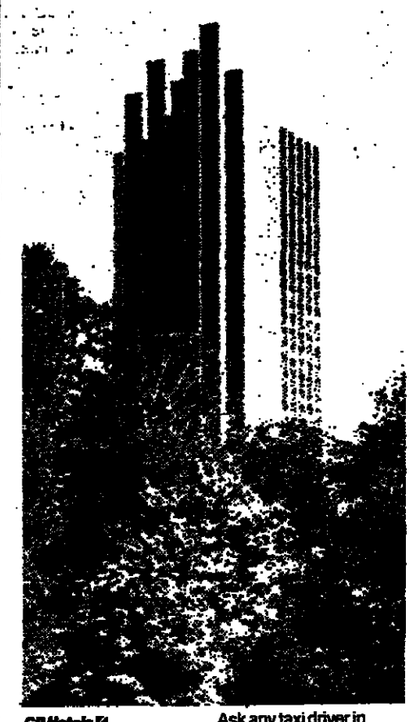

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Especially During 'Friendship Month'

Autumnal Prague: Aura of Soviet Dominion

By John Darnton

PRAGUE, Nov. 25 (NYT) — In these pre-winter evenings, when the mist that rises from the Vltava River mingles with the fumes of burning brown coal, Prague resembles nothing so much as the setting for espionage.

Walking the twisting, cobbled alleyways of the Old Town, figures appear and recede. There, under an arc from a street lantern, stands a man in a broad-brimmed black hat, like Graham Greene's Harry Lime. He is under a gargoyle and his collar is turned up.

It is possible to stand on the 14th-century promenade of the Charles Bridge, in the shadow of one of its 30 statues, and watch the fog envelop the lower part of the city, all but the church spires. It is even possible to turn suddenly and catch the startled expression from the police agent who has been stealthily following — in this case, a striking woman in a long green coat with a fox-trimmed collar.

Nowhere in Eastern Europe is Moscow's dominance more keenly felt than here. And at no time is it more evident than now, during the Soviet-Czechoslovak "friendship month."

Clockwork

This is an annual event. It seems to roll around with the regularity of, well, the clockwork of the famous gilded horloge on Prague's Gothic town hall. There, every hour a skeletal figure of death rings in a dance by the Twelve Apostles.

The political dance is only a bit less precise. There is a plague of speeches. Rude Pravo, the party newspaper, prints headlines in red type. Friendship societies of the two countries assemble, exchanging visitors and toasts.

The television screen is filled with galas — Soviet ice skaters cutting graceful figure eights, army choruses pounding out marching hymns at full timbre, Cossack dancers kicking their boots high in the air.

"You'll find the beer halls especially crowded during this time," a Czech writer said. "That's the way we express our feelings these days, by raising a mug of beer."

He was right. The other night, The Two Cats was jumping. Beer flowed until it spilled onto the wooden tables and clouds of cigarette smoke rolled under the rafters.

After an hour of conversation that edged gently toward politics, one of the drinkers was asked what he felt toward the Soviet Union. He paused, thought a moment and then said, "Of course I have thoughts about this. But I don't think I can say them."

Each country in this part of the world seems to make its own pact with Soviet reality. Since August, 1968, when the Warsaw Pact nations invaded to put down the flowering of liberalism known as the Prague Spring, Czechoslovakia has struck a kind of bargain: Plenty of goods in the shops but tight curbs on freedom of speech and nonparty political activity.

The lure of plentiful staples and even luxury merchandise, comparable only with Hungary and East Germany, is not to be underestimated. One out of every three Czechs traveled outside the country last year, the majority within the Eastern bloc.

"When I saw what they could get there and the long lines for meat, things looked a lot better to me when I got back," said a woman who went to Poland two months ago.

Czechs like to tell stories about visiting Russians who, goaded by a favorable rate of exchange for their rubles and dazzled by what they see, tear through stores like scavengers possessed.

'By Their Shoes'

"You can always tell them by their shoes," a journalist said. "Either those horrible old Russian shoes or a brand new pair of cheap Czech ones. I have seen Russian women going into a curtain shop and trying the material on as dresses. They're told it's for curtains, but they don't pay any attention."

A Western diplomat summed up the situation: "You may have to scrounge a bottle of whiskey to get an appointment with a doctor, but the doctors are there. The schools are overcrowded, but they're good. There are rotating shortages, like vinegar during pickling time, but basically life's essentials are not hard to obtain."

A problem is that comparative shopping can be a two-edged sword. A current pastime is "television weekends." People who live west of Prague, in cities like Pilsen that are within television range of West Germany, invite friends from the capital for viewing parties to sample life on the other side.

The combination of a powerful secret police and relative consumer affluence is an effective one for cutting down on dissent. Since early 1977, the government has been bedeviled by the human rights movement called Charter 77, but at no point have the activists been able to attract a mass following or pose a serious threat.

During a trial last month in which six Charter leaders were convicted of subversion and sentenced to prison, Prague was noticeably unruffled. "They controlled the entire city with 23 policemen on view near the court," one observer recalled.

Discounts Gromyko's Warning

Schmidt Expects Russia To Continue Arms Talks

From Agency Dispatches

HAMBURG, Nov. 25 — Chancellor Helmut Schmidt said today he expects further negotiations between North Atlantic Treaty Organization and the Soviet Union even if the Western alliance decides to deploy U.S. medium-range nuclear missiles in Europe.

Mr. Schmidt discounted hints by Soviet Foreign Minister Andrei Gromyko that Moscow would refuse to enter into negotiations if NATO decides to deploy 572 Cruise and Pershing-2 missiles. "I cannot determine that Mr. Gromyko has delivered threats," Mr. Schmidt told a news conference.

He also added that he had accepted an invitation to visit Moscow early next year.

West German officials yesterday had cautioned against dramatizing Mr. Gromyko's warning, made at a news conference Friday in Bonn, that the probable decision by NATO to deploy new U.S. missiles would damage chances for widened talks on arms control.

The officials said Mr. Gromyko gave indications that he felt negotiations would soon take place on arms control proposals put forth by both sides.

They said that Mr. Gromyko's statement — in part exaggerated by a translator's error — seemed to be aimed at putting pressure on West German public opinion, in a last-ditch effort to block approval of stationing the missiles. The decision is expected to be formally adopted at a NATO meeting of the next month.

A joint statement issued yesterday by West Germany and the Soviet Union after Mr. Gromyko returned to Moscow following a four-day visit here said the "unanimous view was expressed that the preparation of further steps in the area of disarmament and arms control should be accelerated."

Mr. Gromyko's news conference remarks nontheless brought to a high point a monthlong campaign by the Soviet Union to try to keep the Western allies, and West Germany in particular, from approving the production and deployment of medium-range, nuclear missiles that can reach Soviet territory.

The NATO position is that the missiles balance the continuing Soviet production of intermediate-range missiles aimed at Western Europe, which have placed the Atlantic alliance at a strategic disadvantage. The alliance is willing to discuss limitation of such armaments, but only after approval for going ahead with new system is voted by the members.

Referring to production and deployment of missiles, Mr. Gromyko said, "if it should come to such a decision, if our proposal for immediate negotiations should be rejected, the basis for negotiations would be destroyed, it would cease to exist."

Because the decision is a sensitive one here, with some members of Mr. Schmidt's Social Democratic Party arguing that approval of the new missiles' deployment will damage detente, Mr. Gromyko's statement had a sharp impact. This was heightened by an error — which appeared in most West German newspapers yesterday — when the Soviet foreign minister's translator said that, if deployment of the missiles were approved, "there can then be no negotiations."

A subsequent translation from the Russian showed that Mr. Gromyko had not been so categorical. The West German Foreign Ministry's translators found Mr. Gromyko's formulations somewhat ambiguous and a Foreign Ministry official reported the language was the same that Mr. Gromyko had used in a discussion with a group of parliamentary leaders on Thursday.

Mr. Gromyko's attempts to put pressure on West Germany appear to have little chance of success.

An opportunity for causing problems could have come at the Social Democratic Party convention early next month, a week before the NATO meeting, but the party chairman, Willy Brandt, has been telling visitors privately over the past week that he expects an 80 percent vote in favor of production and deployment of the weapons when it is brought up at the convention.

Guatemala Offers Police Protection To All Reporters

GUATEMALA CITY, Nov. 25 (UPI) — President Romeo Lucas Garcia pledged yesterday to apprehend the killers of a Guatemalan journalist and said that the government would provide police protection to reporters.

Mr. Lucas Garcia made the promise after a demonstration in front of the presidential palace Friday by journalists after the killing of Jose Leon Castenada, a reporter whose body was found here last week. Officials said that police protection would be given to any reporter who requested it.

Police said only that they believed the killers belong to an extremist group. Other sources said that it appeared that Castenada was murdered by a rightist "death squad" that is reported to include off-duty policemen. The group is blamed for dozens of killings this year, mostly of criminals.

Meanwhile, the army said that guerrillas killed two soldiers and wounded five in an ambush of a military construction convoy Friday in western Guatemala.

4 Fuji Climbers Die

TOKYO, Nov. 25 (UPI) — At least four persons died and eight were injured in separate accidents yesterday while climbing Mount Fuji, Japan's highest peak, police said.

Associated Press

Prince Sihanouk waves to well-wishers after his arrival in Paris.

Arrives in France

Sihanouk Seeks Arms Aid From West for Cambodia

PARIS, Nov. 25 (AP) — Prince Norodom Sihanouk, arriving here on the first leg of a tour to seek support for a new "liberation" of Cambodia, today called on friendly countries for military aid, "large or small, open or discreet."

"As long as the political problem remains insoluble, I think that absolute priority must be given to the human problem," he said at Charles de Gaulle Airport after his arrival from Peking. "We must at any price save the Khmer people, more than half of which has already disappeared."

The former chief of state also said he did not come as a claimant to the leadership of Cambodia. "I am only a patriot who will try, alongside other patriots and the Khmer people, to take up the work that every Cambodian nationalist faces in this tragic period of our history," he added.

He asked all foreign powers "who have expressed their sympathy for a free Cambodia" for military aid of any kind for all Khmer nationalist fighters. "That is the only way to get rid of Vietnam, which knows only the language of force," he said.

The 57-year-old prince, who was deposed in 1970 by Gen. Lon Nol but brought back after the Communist takeover in 1975, has rejected the idea of collaborating with the Chinese-backed Khmer Rouge Communists. He wants to promote armed anti-Vietnamese resistance by the other nationalist groups in the country.

He said he favors an international conference on Cambodia, but he conceded that such a conference "is impossible in the near future," since China and Vietnam oppose it.

After thanking France for the aid it has sent to Cambodian refugees, Prince Sihanouk insisted that the present government of Heng Samrin and his Vietnamese protectors should allow foreign aid to be distributed "directly to the starving and exhausted people in the presence of representatives of the donors."

Sources in Paris said Prince Sihanouk has written four letters in recent weeks to Vietnamese Premier Pham Van Dong proposing negotiations on the Cambodian situation, but has received no answer. The sources said the prince apparently wants to resurrect the Sangkum, or popular Buddhism, to help restore homogeneity in a nation fragmented by internal fighting and a succession of tragedies.

Prince Sihanouk was accompanied by his wife, Princess Monique, his son, Prince Sihamoni, and his former premier, Penn Nouth. His tentative plans are to stay in France for about two months. He is have talks with French leaders, including President Valery Giscard d'Estaing. He also expects to visit West Germany, Belgium, Sweden, the United States, and probably Britain.

Outclassed Militarily

Thais Face Hanoi Streng[illegible] With 'Bamboo Diplomac[illegible]

By Keyes Beech

BANGKOK, Nov. 25 — "If two Vietnamese armored divisions cross the Thai border at 7 a.m.," a Western military attache said, "I'll guarantee you that they'll be in Bangkok for breakfast the next day, without leaving the main highway."

That sums up the prevailing view of the comparative military strength of Vietnam and Thailand, the two major powers of what is sometimes called the "soft underbelly of Southeast Asia."

"But there is nothing soft about the Vietnamese belly," said the military attache, who has worked in both Vietnam and Thailand. "It's lean and hard. The Thai belly is not only soft, it's paunchy."

If the Thais seem nervous these days, it is because they face a new situation for which they are ill-prepared.

'Next Domino'

In 1975 when the Communists took control of Cambodia and Vietnam, many U.S. policy-makers talked of Thailand as the next domino in a Communist takeover of Southeast Asia.

That talk died down as the Communists consolidated their holds in the two countries. But it rose again after last winter's Vietnamese invasion of Cambodia which stopped only after driving the forces of Cambodian Premier Pol Pot to the Thai border. Now, for the first time, Vietnam and Thailand face each other across what amounts to a common frontier.

In meeting last month with Thai Premier Kriangsak Chamanan, the Vietnamese acting foreign minister, Nguyen Co Thach, said that Hanoi had no intention of invading Thailand. But the Vietnamese warned Gen. Kriangsak "not to play with fire" by lending comfort to the Pol Pot forces.

While few observers think that the Vietnamese will invade Thailand, military experts would not be surprised if Hanoi launched a limited strike across the border to "give the Thais a bloody nose and scare the hell out of them," as an attache put it.

Militarily, the Thais are outclassed in every department. Their 160,000-man army is riddled with politics and corruption. Most of the country's 400 or so generals and admirals are concentrated in Bangkok, where business and politics are traditional military pursuits. Roughly half the Thai armed forces and 40 percent of the army's [illegible] force are also in Bangkok, pa[illegible] domestic political reasons and [illegible]ly because life is more comfo[illegible] here than in remote border re[illegible] "This army likes gracious li[illegible] an attache said acidly.

U.S. arms shipments to Th[illegible] have accelerated in recent we[illegible] match the rising tensions [illegible] Thai-Cambodian border. A[illegible] other things, the Thais [illegible] received the first four of an o[illegible] 18 F-5E fighter-bombers. The [illegible]ed States also has delivered th[illegible] batch of a promised 150 new [illegible]

But neither the United Stat[illegible] Thailand has any illusions [illegible] stopping the Vietnamese [illegible] cross the border in force. Th[illegible]der — long, twisting and some[illegible] ill-defined — is indefensible [illegible] most crucial sector. At best, [illegible] troops could serve only as a [illegible]ing force.

By contrast, Vietnam is So[illegible] Asia's paramount military po[illegible] has close to 60 divisions, m[illegible] them battle-tested, and a to[illegible] 700,000 men and women [illegible] arms.

Hanoi has 200,000 men, i[illegible]ing some of its best divisio[illegible] ployed against the Chinese al[illegible] northern border. It has 20 di[illegible] or a total of about 180,00[illegible] committed to Cambodia [illegible] 50,000 more in Laos on Th[illegible] northern border.

Troops in Cambodia

Many of the troops in Ca[illegible] are reported to be Sou[illegible]namese conscripts with little [illegible]siasm for their job. Some [illegible]serted and crossed the bord[illegible] Thailand, but this is cold co[illegible] the Thais, who tend to re[illegible] Vietnamese as supermen, es[illegible] because of the outcome of t[illegible]nam War.

The Thais know that th[illegible] no hope of defeating th[illegible]namese on the battlefield, [illegible] have fallen back on a stra[illegible] has served them well in th[illegible] "bamboo diplomacy."

While voicing its stern de[illegible]al of the Vietnamese con[illegible] Cambodia, Thailand offic[illegible] adopted a policy of strict n[illegible] in the continuing fight [illegible] Vietnamese troops and Po[illegible] Khmer Rouge guerrillas.

At the same time, the Th[illegible]ly have given aid and comfo[illegible] Pol Pot forces along the Ca[illegible] border. And they have su[illegible] internationalize — a Thai di[illegible] laughingly choked on the w[illegible] the Cambodian problem. [illegible] ago nobody cared what ha[illegible] to Cambodia," the diplom[illegible] "Today nearly everybody i[illegible] about Cambodia. That's pr[illegible]

© Los Angeles Times

Cambodia Assails Thai[illegible]

BANGKOK, Nov. 25 (R[illegible] — The Cambodian governm[illegible] day accused Thailand of s[illegible] weapons by ship to the [illegible] Rouge.

Cambodia also alleged, as [illegible] several times, that Thailan[illegible] providing rear bases on its [illegible] for the guerrillas.

Bangkok Protests to U[illegible]

BANGKOK, Nov. 25 (A[illegible] Thailand has sent another [illegible] note — its fourth in two mo[illegible] to UN Secretary-General Ku[illegible]dheim, informing him of anot[illegible]olation of Thai territory by "[illegible] forces" in Cambodia, a Thai[illegible]eign Ministry spokesman sa[illegible] day.

Blunt Reported Recruited After War For Secret Mission by British King

LONDON, Nov. 25 (AP) — Anthony Blunt, the British art historian who spied for the Soviet Union, carried out a secret mission in West Germany for King George VI soon after World War II to recover sensitive documents on the Duke of Windsor's relationship with the Nazi leadership, The Sunday Times reported.

Buckingham Palace declined comment. But the paper said Mr. Blunt's royal mission was confirmed by Lord Dacre, who as historian Hugh Trevor-Roper was an official of Britain's Secret Intelligence Service at the time.

The Sunday Times said the mission was also confirmed by the family of Prince Philip of Hesse, who is related to British royality and kept the documents hidden in their castle near Frankfurt during the war.

The paper said King George, Queen Elizabeth II's father who died in 1952, wanted the "Windsor File" to prevent it falling into the hands of the Americans and possibly being published. The documents apparently concerned contacts between the Duke of Windsor and Hitler which, were they publicized, would have seriously embarrassed the British royal family.

The Sunday Times said Mr. Blunt, a wartime British intelligence officer, was not suspected of being a Soviet agent when he was recruited for the Frankfurt mission.

Meanwhile, Mr. Blunt admitted yesterday that he had lied to reporters last week when he claimed his last contact with Soviet agents was in 1951. He said in a statement issued through his lawyer that Prime Minister Margaret Thatcher correctly told Parliament that he had helped Harold (Kim) Philby contact Russia in 1956 before he defected as the counterintelligence service closed in on him.

Evacuation of Cambodia Refugees Delayed by Shootings, Guerrillas

BANGKOK, Nov. 25 (Reuters) — Shooting incidents in a major border refugee camp and resistance from rightist Khmer Serei (Free Khmer) guerrilla leaders today delayed the flow of Cambodian refugees into Thailand, refugee officials reported.

They said shooting was heard in a camp containing about 180,000 refugees opposite the eastern Thai border village of Nong Samet. As a result of the delay, which lasted several hours, less than 3,000 Cambodians crossed the border, compared with the 8,000 relief agencies were hoping for.

The officials said that they did not know why shooting had broken out or who was responsible.

At a nearby encampment to which about 250,000 persons have fled, Khmer Serei leaders stood at the entrance to prevent refugees leaving, they added.

Relief agencies are trying to move the refugees into a transit camp across the border and eight miles inside Thailand, from which they would be taken later to more permanent shelter.

But some leaders of the Khmer Serei, who oppose the Vietnamese-led forces of the Heng Samrin government and the Khmer Rouge guerrillas of deposed Premier Pol Pot, have said that they are willing to let the old, the sick and the very young leave, but not the young and able-bodied who are needed to fight.

Thai military sources and refugee officials said they fear that, if the orderly evacuation of the people does not continue, there could be a surge across the border if fighting inside Cambodia draws nearer.

Société Générale de Banque,
Belgium's N°1 bank, expands services in the United States.

The new representative office, headed by Mr. Adrien de Marode, is the direct link between the U.S. market and Société Générale de Banque in Belgium. The primary purpose of this office will be to promote Société Générale de Banque's foreign exchange, Eurocurrency and other international financial services to U.S. companies and institutions that are active in trade and investment in Belgium and in other foreign countries. Temporary address: 10 Hanover Square (6th floor) - New York, N.Y. 10015 - Tel.: (212) 437-2297

Belgium's [illegible] bank, headed by Mr. [illegible] will provide [illegible] in Belgian corporations [illegible] through its [illegible] markets and organizations, establish [illegible] of new [illegible] of existing ones. The emphasis will be placed on finding the right partners and locations, and arranging adequate sources of financing — e.g. private placements, industrial revenue bonds, loans and guarantees by local agencies, banks, etc. Temporary address: 645 Madison Avenue (2nd floor) Helmsgate - New York - N.Y. 10022 - Tel.: (212) 888-6880 - Telex: RCA exec 236139.

Société Générale de Banque

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Obituaries

Merle Oberon, 68, Star Of 'Wuthering Heights'

NEW YORK, Nov. 25 (NYT) — Merle Oberon, 68, the star of "Wuthering Heights" and more than 30 other films, died Friday in Los Angeles after having suffered a stroke at her Malibu, Calif., home.

Miss Oberon was of an almost exotic beauty, with perfect skin, dark hair and a slight slant to her eyes that was further accentuated by makeup.

Miss Oberon also was well remembered from such other movie hits as "The Private Life of Henry VIII," which began her career in 1932; "Dark Angel" and "The Scarlet Pimpernel." In fact, her screen career, first in Britain and later in Hollywood, extended into the '70s, but it was her portrayal of Cathy that comes to mind first when considering her qualities for stardom.

"Wuthering Heights" was adapted by Ben Hecht and Charles MacArthur from Emily Bronte's novel, directed by William Wyler and produced by Samuel Goldwyn. Miss Oberon starred in it opposite Laurence Olivier's Heathcliff.

Praise in New York

When the film opened in 1939, Frank Nugent of The New York Times wrote:

"So Mr. Olivier has played Heathcliff, and Miss Oberon, as Cathy, has matched the brilliance of characterization with hers. She has perfectly caught the restless, wrangling spirit of the Bronte heroine who knew she was not meant for heaven and broke her heart and Heathcliff's in the sunlitic paradise of her marriage with the Edgar Linton."

Also in the movie were David Niven as Linton and Geraldine Fitzgerald.

Miss Oberon's career was a record of persistence, ingenuity, hard work and good luck, and she retained her smooth, youthful looks better than many another film star of her generation. "Luckily, I like the things that are healthy," she once said, "like exercise, rest, sensible food, no alcoholic drinks, unless a cup of wine, and no cigarettes."

Miss Oberon was born Estelle Merle O'Brien Thompson on Feb. 19, 1911, on the island of Tasmania, near Australia, the daughter of a British Army major who died just before her birth. She grew up in Bombay and Calcutta, studying French and Hindustani along with traditional subjects, and danced at the Calcutta Amateur Theatrical Society.

When she was 16, an uncle, also a British officer, took her for a visit to London, where she enrolled in a dancing school and decided to stay. She took a job as a dance hostess at the Cafe de Paris even though she considered it much beneath her, the product of the highly snobbish British Army presence in India. But the job came with free dinners, and that became the deciding factor.

Even then, Miss Oberon, known as Queenie Thompson, was noted for her beauty. Her first screen test nevertheless ended in disaster, but she soon found herself playing bit parts after a second one turned out better.

Her success came when Sir Alexander Korda, the producer, noticed her in a studio commissary and signed her to a contract. Sir Alexander, who married his young star in 1939, changed her name to Merle Oberon and devised the distinctive makeup that soon made her delicate features familiar to audiences on both sides of the Atlantic.

In the United States, Miss Oberon was first seen as Anne Boleyn in "The Private Life of Henry VIII," one of the hapless wives of the king, who was portrayed by Charles Laughton.

Rapid Success

There followed such well-received films as "The Private Life of Don Juan" with Douglas Fairbanks Sr. in 1934 and "The Scarlet Pimpernel" with Leslie Howard the following year. She played leading roles in "Folies Bergere" with Maurice Chevalier, and in "These Three," the 1936 adaptation of Lillian Hellman's play "The Children's Hour."

An early foray into American films, "The Cowboy and the Lady" with Gary Cooper, in which she played an American character, was a less memorable experience, but Miss Oberon recouped with more substantial fare such as "The Lodger," a Jack-the-Ripper epic with George Sanders and Cedric Hardwicke in 1944, and "A Song to Remember," in which she played George Sand to Cornel Wilde's Frederic Chopin.

Miss Oberon was last seen in "Hotel" in 1967 and "Interval" in 1973, a film she helped to finance.

Her marriage to Sir Alexander ended in divorce in 1945. Miss Oberon then married Lucien Ballard, a cameraman. She later divorced him and married Bruno Pagliai, an Italian-born Mexican industrialist. She was divorced again and, last year, was married to Robert Wolders, the Dutch-born actor who co-starred with her in her final picture.

—WOLFGANG SAXON

Merle Oberon with Laurence Olivier in "Wuthering Heights." (Associated Press)

Merle Oberon ...in 1973.

Killed in French Crash

LILLE, France, Nov. 25 (Reuters) — Two French stunt pilots died when their plane crashed near here Friday during a training flight, police said. Witnesses said that the plane plunged to the ground when its right wing broke off about 500 meters above the small airfield of Merlinfontaine.

U.S. Columnist Richard Rovere Is Dead

By David Bird

NEW YORK, Nov. 25 (NYT) — Richard H. Rovere, 64, who wrote some of the most penetrating and respected commentaries on U.S. politics as a columnist for The New Yorker magazine, died Friday of emphysema in Poughkeepsie, N.Y.

Although he wrote about Washington, Mr. Rovere seldom visited the capital. He once explained: "With public figures in general, my feeling has been that the advantages of acquaintance are often more than offset by the disadvantages and that in general it is best to confine oneself to material that is fixed in the record and cannot be repudiated."

But when he did appear in Washington, his presence was noted. Reviewing Mr. Rovere's book "Arrivals and Departures, a Journalist's Memoirs" in The New York Times two years ago, Robert Sherrill said:

"The only time I ever laid eyes on him was at one of those White House conferences on something or other that the Johnson administration was always throwing in the Shoreham Hotel. Into the big, spiritless room came this fellow who did have something of a different air about him, particularly because he was attended by a retinue, a small retinue to be sure, but still clearly a retinue. 'There,' the reporter sitting next to me said with husky awe, 'goes Richard Rovere of The New Yorker.' "

Assailed McCarthy

In addition to his column for The New Yorker, Mr. Rovere wrote more than half a dozen books. Perhaps the most widely acclaimed was "Senator Joe McCarthy," published in 1959, two years after the death of the Republican senator from Wisconsin. In the book Mr. Rovere called the senator a "liar," "barbarian," "seditionist" and "cynic" who was "in many ways the most gifted demagogue ever bred on these shores."

In his book "Affairs of State: The Eisenhower Years," which appeared in 1956, Mr. Rovere described Richard Nixon, who was then vice-president, this way:

"Nixon appears to be a politician with an advertising man's approach to his work. Policies are products to be sold to the public — this one today, that one tomorrow, depending on the discounts and the state of the market."

He added that Mr. Nixon moved from intervention in Indochina "to anti-intervention with the same ease and lack of anguish with which a copywriter might transfer his loyalties from Camels to Chesterfields."

Some time later, evaluating the U.S. presidency, Mr. Rovere wrote: "A head of state, particularly in a diverse and democratic society, is necessarily a kind of philanderer, and in dealing with the numerous mistresses, or constituencies, he is bound to make false professions of one sort or another."

William Shawn, editor of The New Yorker, hired Mr. Rovere in 1944 and persuaded him to begin writing the "Letter from Washington" column in 1948.

Richard Halworth Rovere was born on May 5, 1915, in Jersey City, N.J. The family later moved to the Upper West Side of Manhattan, and Richard Rovere went to the Stony Brook School on Long Island.

"I disliked the atmosphere of the classroom," he recalled of his time there, and he accumulated "the lowest all-around record ever made." In his junior year he became editor of the school's newspaper, The Bulletin.

Drift Toward Communism

He went to Bard College at Annandale-on-Hudson in 1933 and, like many students of the time, drifted toward Communism. He described himself as a "Marxist-Leninist with only a sketchy reading of Marx and an even sketchier one of Lenin" who never joined the Communist Party or attended its meetings because he found them "almost intolerably dull."

After graduating from Bard in 1937, Mr. Rovere joined The New Masses, a magazine that he said "consistently, indeed slavishly, followed the Communist line." Unable to follow that line any longer, he left the magazine in 1939 and went to The Nation a year later. In 1943 he joined the magazine Common Sense and a year later went to The New Yorker.

He wrote the Washington column, the name of which was changed to "The Affairs of State" several years ago, for more than 30 years at the rate of about once a month. The last column appeared this year in the magazine's Aug. 6 issue.

Hungarian Mine Cave-In

BUDAPEST, Nov. 25 (AP) — Two miners were reported trapped in a shaft of a coal mine near Tatabanya, Hungary, after a coal face caved in burying four workers Friday. Two men were rescued, one of them in serious condition, the Hungarian news agency said.

Despite Corruption Charges, Economic Woes

Zaire's Mobutu Seen Likely to Survive

By Carey Winfrey

KINSHASA, Zaire (NYT) — "They got rid of Amin, Macias and Bokassa," a Zairian journalist was saying here the other day, referring to three African tyrants deposed over the last seven months. "I guess I am next most likely candidate to go Mobutu."

"I wouldn't bet on it," a colleague replied. "Mobutu is a survivor."

Whether President Mobutu Sese Seko of Zaire can remain in power or will be forced from office like Idi Amin of Uganda, Francisco Macias Nguema of Equatorial Guinea and Jean Bedel Bokassa of the former Central African Empire, is a question that permeates every level of society in Kinshasa.

An army general installed with the help of the United States in 1965, Mr. Mobutu was hailed a decade ago for imposing order on his country's chaos. Today he is condemned for its economic woes, for personal corruption and for indifference to the plight of his malnourished and destitute people.

"If conditions get much worse," a Western diplomat here said, "some spark, a strike or demonstration, could set the whole thing off. All it would need are a few grenades to panic the European expatriates and the whole thing would collapse."

But militating against a coup are several factors, not the least of which is Mr. Mobutu's shrewdness, the nation's painful memory of seven years of political chaos after its independence from Belgium in 1960 and the lack of an organized opposition, either civilian or military.

"There are a great many articulate people who oppose him," a Western analyst said, "but they are not united. Mobutu knows how to mollify his opponents by buying them off or giving them cushy jobs."

Mr. Mobutu keeps the army off guard by constantly changing commands so that no single general can create a power base. In addition, according to military sources, the higher echelons are full of rival cliques.

Another important factor in his probable survival is the widespread belief that Mr. Mobutu, who is a member of a minor tribe from near Zaire's border with Sudan, is the only man capable of holding this ethnically diverse country together. "If Mobutu goes," a Zairian businessman said, "either the military takes over or the country explodes."

It is for that reason, as well as for the rich cobalt and copper deposits of Shaba province, formerly Katanga, that Mr. Mobutu continues to enjoy the support and financial assistance of the West.

Russians and Cobalt

"From a political point of view," a professor at the university here said, "it is very important that Zaire stay unified, because if the country is factioned, the Russians will go very far to try to get ahold of Shaba, which produces 65 percent of the world's cobalt." Cobalt is used in the manufacture of jet planes and jet engines.

Mr. Mobutu, in turn, looks to the United States as the leader and main shaper of world opinion. As a "present" to President Carter after a visit to Washington, Mr. Mobutu released 18 political prisoners last month to mark his 49th birthday. The men had been charged with plotting a coup against him in 1975, although most observers here believe the charges were merely Mr. Mobutu's way of putting potential troublemakers out of the way.

Western diplomats here, both U.S. and European, suggest that for all his autocratic mismanagement, political favoritism, greed and tolerance of corruption, Mr. Mobutu is not a tyrant on the order of Marshal Amin or Mr. Bokassa.

Although Mr. Mobutu's jails undoubtedly contain some political prisoners, probably fewer than a hundred, a U.S. diplomat says that "even his worst critics do not accuse him of having blood on his hands."

Official Philosophy

Mr. Mobutu, then the army commander, took advantage of the political vacuum that developed in 1965, when President Joseph Kasavubu dismissed Premier Moise Tshombe, to seize control of the government and cancel promised elections. Challenged the next year by a revolt of exiles from Katanga, Mr. Mobutu defeated the rebels and consolidated his control of the country. In later years, "Mobutuism" - the writing, teaching and living example of the president — was pronounced Zaire's official philosophy.

Today his picture alone is permitted to hang in public places. His home and the school that he attended have been made national shrines. "His is the most highly developed cult of personality in French-speaking black Africa," a diplomat familiar with the region said. "No responsible official takes a stance without referring to 'the guide,' as he is called. Everything in the country stems from him and ends with him."

Although a request for an interview with the president was denied, interviews with Western diplomats, Zairian politicians and businessmen produced a picture of a man not without positive attributes. "The man is corrupt, he drinks a bit, but he has strength and vitality," a French diplomat said. "And he's brave."

"Every time there's trouble somewhere, he goes," a European military adviser added. "He's a fighter."

N. Zealand Ends Antarctic Probe

WELLINGTON, New Zealand, Nov. 25 (Reuters) — The major drilling project of the New Zealand Antarctic Research Program has been abandoned because of movement of sea ice in McMurdo Sound.

Drilling stopped Friday, when the drill bit was found to have been bent five degrees because the sea ice had shifted and put the drilling rig platform out of alignment with the drill hole.

Robert Thomson, superintendent of the Antarctic Division of New Zealand's Department of Scientific and Industrial Research, said that despite the abrupt end "the 230-meter core will tell us much about development of the Antarctic ice sheet, the flora of old Antarctica and more recent geological events in the Ross Sea area."

Raid on Guerrilla Camp Reported

UN Council Condemns Rhodesian Attacks in Zambia

From Agency Dispatches

LUSAKA, Zambia, Nov. 25 — Rhodesian planes have bombed a guerrilla camp about 25 miles east of here and killed several persons, witnesses reported today. The reported raid followed a United Nations Security Council condemnation of Zimbabwe Rhodesia for earlier attacks and a call for the "responsible authorities" to pay $10 million in damages to the Zambian government.

The witnesses said that the air raid yesterday was at a camp at Chinyunyu near the Chongwe River, where a vital bridge was destroyed in an attack by Rhodesian forces last week. There has been no official comment on the latest report.

Late Friday, the Security Council adopted by consensus an eight-point resolution calling for the damage payment and establishing a committee of four Security Council members to see that the payment is made. The committee is to report to the council by Dec. 15.

The council, at an urgent session requested by Zambia, called for "full and adequate compensation by the responsible authorities" for damages and deaths in the attacks, which have cut road and rail lines into the landlocked southern African nation.

Series of Raids

Paul Lusaka, the Zambian representative, told the council that Rhodesian troops had wrecked eight bridges in a series of raids beginning last month, paralyzing Zambia's transportation links. He estimated the damage at more than $10 million and said, "There is no doubt that the eventual total cost of reconstruction will be much higher than this figure."

Sir Anthony Parsons, the British representative, announced after the vote on the resolution that Britain had joined in the consensus in order to avoid jeopardizing the London conference on Zimbabwe Rhodesia, which is trying to negotiate an end to that nation's seven-year guerrilla war.

Zambia became a target in the war because it shelters guerrillas of the Patriotic Front alliance, who have been fighting to topple the Rhodesian government.

The resolution did not identify the authorities who are to pay the damages. But Akporode Clark of Nigeria, in introducing the resolution, said that the sponsors believed Britain and South Africa to be responsible.

Sir Anthony "vigorously, totally and utterly" rejected a suggestion by the Libyan delegate in the debate that Britain had encouraged the raids into Zambia and wanted the London conference to fail. He called this "a monstrous allegation."

The Security Council resolution condemned the Rhodesian government "for its continued, intensified and unprovoked acts of aggression against the Republic of Zambia;" accused South Africa of collusion in the attacks; and appealed to Britain to "take prompt and effective measures" to stop further attacks.

The council's nonaligned members — Bangladesh, Gabon, Jamaica, Nigeria, Kuwait and Zambia — cosponsored the resolution. Richard Petree, the alternate U.S. representative, urged an immediate cease-fire.

Train Accident in U.S.

GLENMARY, Tenn., Nov. 25 (UPI) — A Southern Railroad train hit the rear of a derailed train near here yesterday, touching off an explosion in a propane tank car and sending two locomotives rolling down a 100-foot embankment. An engineer was injured.

Sahara Guerrillas Claim to Kill 40 Algerian Soldiers

RABAT, Morocco, Nov. 25 (UPI) — A guerrilla organization supporting Morocco's claim to the Western Sahara, the Aosario, today said that it killed 40 Algerian soldiers and wounded scores in a recent ambush in southwest Algeria.

The communique from the Aosario said that the four-hour battle took place Wednesday between Zegdou and Tinfouchy, about 50 miles from the Algerian border with Morocco.

The Aosario said that four of its solders were killed and five wounded, and that it destroyed 10 of the 50 vehicles in an Algerian convoy. There have been no statements from Algeria confirming the battle.

The dispute over the Western Sahara began four years ago when Spain pulled out of its former colony. Morocco then annexed the northern two-thirds of the phosphate-rich desert. Three months ago it claimed the southern third after Mauritania signed a separate peace agreement with the Polisario Front, backed by Algeria.

The Polisario Front claims to represent the native Saharan population and is seeking independence for the area.

The Polisario has struck inside Morocco several times this year, straining relations between Morocco and Algeria. Morocco has said that it would exercise the "right of hot pursuit" to follow Polisario guerrillas into Algeria, and recently won U.S. permission to purchase sophisticated American weapons.

Diplomats describe the Aosario as the Moroccan answer to the Polisario. It is composed of Saharan natives who support Morocco.

In its communique, the Aosario also said that two Algerian Army trucks loaded with munitions were blown up Thursday by mines placed by Aosario commandos, killing two Algerian soldiers.

Swedish Power Issue: $17 Billion at Stake

STOCKHOLM, Nov. 25 (UPI) — It will cost Sweden almost 75 billion kronor ($17.8 billion) by the turn of the century if the nation decides to abandon nuclear power, a government committee said.

The committee's report Friday said the cost to every Swedish wage-earner over a 20-year period would be about 20,000 kronor ($4,700). Most of the money would have to be spent on increased oil and coal imports, necessary to bridge the gap before any development of alternative energy sources.

Terrorists Raid Site Of Italy Rebel Trial

TURIN, Nov. 25 (AP) — Terrorists launched a rocket attack yesterday on an armored car guarding a military garrison that will be the site of an appeals trial of Red Brigades leaders, police said.

No officers were reported injured and damage to the car was minor. Police opened fire on the terrorists' car, which sped away after launching the rocket, a type used by special assault troops of the Italian Army.

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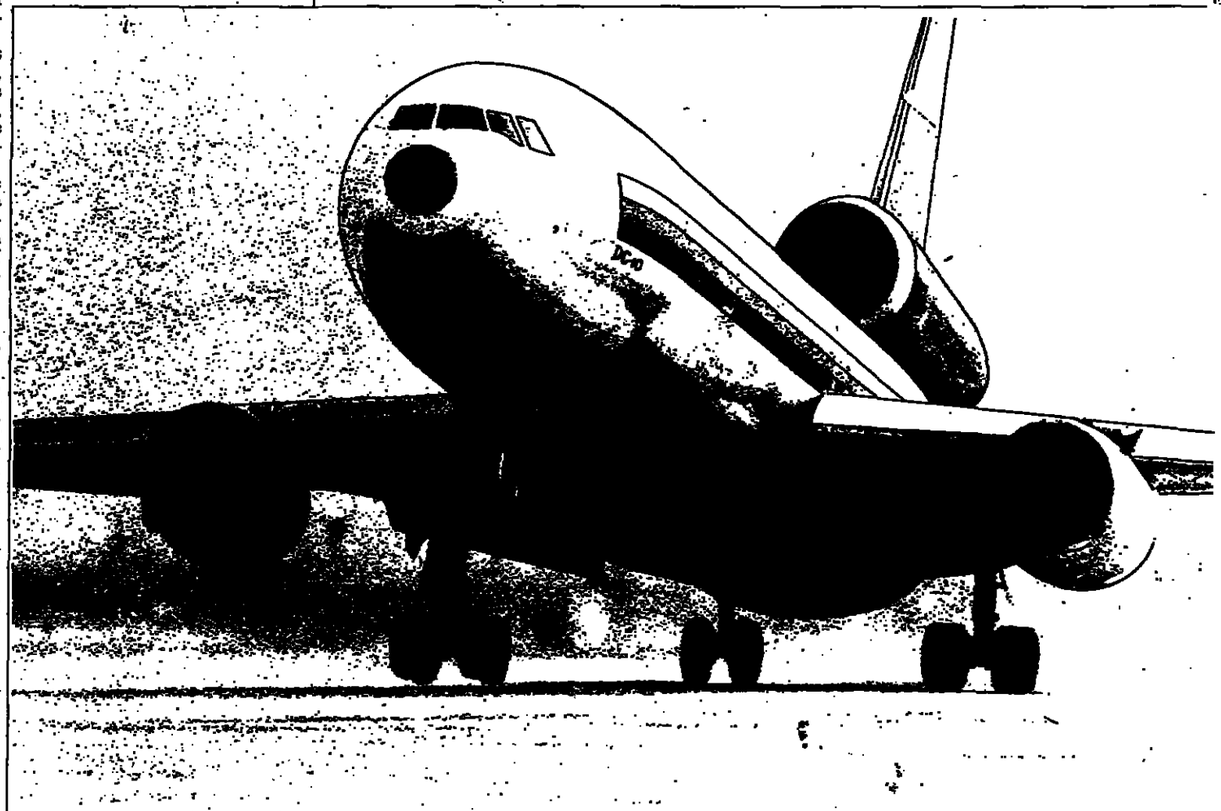

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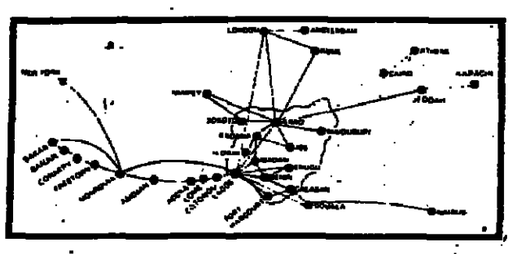

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INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post
Page 6 Monday, November 26, 1979

Between Violence and Reason

It is getting harder by the day, but the obligation of Americans remains what it has been for three trying weeks. A decent concern for the remaining 49 hostages in Tehran requires restraint, and the recognition that words are still the main weapons in this war over the shah. The agitation of smooth-faced men in business suits can be just as reckless as that of a bearded priest in a turban, but diplomatic remedies have not been exhausted.

There will be time enough for recriminations "when this is over," Henry Kissinger remarked at the start of the crisis. Indeed there will be. But this episode is not over, making his more recent partisan outburst the more repellent. If Kissinger's place in its history, and in potential Republican administrations, cannot wait for President Carter's measured efforts to relieve the danger, then much more than an embassy has already been lost.

Ayatollah Khomeini surely knew that his threats of spy "trials" for the hostages would raise fears for their lives. He knew as well that blaming Americans and Zionists for the assault on Mecca's holiest shrine would inflame Moslem crowds the world over. It takes no special skills of statecraft to recognize a demagogue and to resolve to resist him. It takes a wise nation, midst such provocation, to take advantage, with calculated delay, of his isolation even from normally sympathetic governments and his shrinking political base in Iran.

Carter could only respond as he did, with allusions to force and conspicuous maneuver of warships. But so long as the hostages are not harmed — those released report harsher treatment than had been assumed — there remains a chance of containing the violence that so many ambitions seem to find congenial.

As he has boasted, the ayatollah would find martyrdom appealing. If American bombs and bullets now drew Iranian blood, he might succeed in turning his people not only against the shah but against all the secular values of modern politics and economics. But the ayatollah remains for the time being a hostage of the spiritual code he preaches. He cannot exploit his prisoners and murder them, too.

The evidence suggests that both the priest and the president understood these larger stakes in their contest — even as they escalated the threats of violence last week. The shah, obviously with Washington's consent, let it be known that he hoped soon to return to Mexico. UN Secretary-General Waldheim revealed that he had opened a channel of communication with Iran's new Cabinet. The State Department offered to entertain UN hearings of Iran's grievances against the shah "in the context" of the hostages' release. And the apparent manager of Iran's latest government, Acting Foreign Minister Bani-Sadr, showed some interest in turning a contest over the shah's person into a contest over his money.

* * *

As many intermediaries have told the Iranians, there are ways to bring their charges against the shah before international tribunals and audiences. One approach that U.S. courts might consider would be legal claims on his exported wealth. To the extent that the shah's accountability to the Iranian people is a real concern — there were no demonstrations against Mexico during his sojourn there last summer — there still exist some paths through the international jungle that can avert a bloody showdown. But these paths of reason are not well marked. This is terrain on which all peoples are easily led astray.

THE NEW YORK TIMES.

U.S. Myopia, Inc.

Overturn any economic rock in the United States and you can find evidence of dismal economic performance. Since 1960, imports have risen from 5 percent to 11 percent of total national production while manufactured exports have fallen from 25 percent of the world's total to less than 20. Reversing this economic decline will require many changes, but most of the suggestions have focused on what government can do for the private sector — through tax breaks and research subsidies — rather than on what the private sector should be doing for itself.

Conservatives are right when they say that government cannot solve all the nation's problems. Government did not cause all of the problems, either. If the economy is not performing, it is in part because the private sector has not been performing well enough.

The comptroller general's office recently analyzed why the Japanese have been so successful in conquering U.S. markets while Americans have been so unsuccessful in conquering Japanese markets. There is no single reason, but a big factor is greater Japanese willingness to sacrifice current profits to future gains. They have been willing to invest in good service, quality control and design that will result in market penetration and profits some day but that until then must be carried as costs. U.S. firms have been much less willing to do this.

This finding is confirmed when Japanese businessmen give their opinions about U.S. business. They do not rush to blame its faults on U.S. tax laws or other government action. They believe, rather, that U.S. firms are too preoccupied with maximizing short-run profits.

There are understandable reasons for the near-sightedness of U.S. corporations. They tend to employ chief executives for short periods of time and to judge them by how much money they earn while in office. The tendency of U.S. corporations to finance investments from their own savings may also be short-sighted. If tomorrow's investments have to be financed out of today's profits, firms are apt to slight current activities that would contribute to future profits. Borrowing from outside sources plays a much larger role in investment abroad, especially in Japan.

Government obviously has a large part to play in revitalizing the U.S. economy. But if private business fails to re-examine its own procedures to make itself more competitive against foreign rivals, no government program will succeed.

THE NEW YORK TIMES.

Diatribes and Nostrums

We thought we were prepared for the inevitable rhetorical excesses of a long presidential campaign. Thought we were prepared for the inevitable demonizing of U.S. business and the sentimental moralizing by somebody who left a window open and felt "a genuine draft." But this past week was too much, too soon. One presidential candidate had the following statement attributed to him in his obviously frenzied pursuit of the White House:

"There's an amazing amount of mediocrity among even the top, top businessmen. I know. I've seen them. Ninety percent are mediocre, pompous, narrow, stupid Neanderthals."

As if that were not enough for one week, the same candidate turned back the political clock and further sermonized: "We're going to have to show a care and a concern and a compassion for people. We must not deny the needy the sustenance they require. We must show we can deliver aid and assistance more efficiently."

Who is this captain of hyperbole? This business-baiting, platitudinizing bleeding heart? Of course, you guessed it, John B. Connally, the former Texas governor and present Republican candidate for president.

Mr. Connally's lapses into oral overkill should probably be discounted, because their publication followed immediately upon a disappointing Florida weekend for the former Treasury secretary. In Orlando, Republicans — all 1,357 at this event — held another of those apparently epidemic presidential straw votes. Only this one turned out to be the nuclear arms race of straw ballots. The Republican candidates, particularly Mr. Connally, spent money the way they say the Democrats do. The Connally campaign reportedly unloaded somewhere around $350,000 to win 354 straw votes and second place behind Ronald Reagan.

* * *

Right now, by law each presidential candidate is limited to pre-nomination spending in Florida of about $1,350,000. So Mr. Connally and his campaign, after the Orlando weekend, have spent about one-quarter of what they'll be able to spend legally. It may have been just a straw ballot, but $350,000 is not hay, even in Houston.

Next March, 650,000 Florida Republicans are expected to vote in the real presidential primary. Whether you prefer the new math or simple arithmetic, you are forced to conclude that the Connally campaign must be more fiscally responsible if the former Texas governor is to score in Florida.

So perhaps the governor's dyspeptic diatribe against business leaders and the nostalgic nostrums about the needy should be overlooked. He did have a difficult week.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago

November 26, 1904

WASHINGTON — Mr. Roosevelt's attitude regarding the trusts is stronger, if anything, than before his election. Action against the Beef Trust's violation of the United States court injunction is expected within a month. It is possible that the president will recommend to Congress, in his annual message, legislation preventing the trusts from crowding out the independents, and requiring that the sale of products shall be the same in one part of the country as in any other. This is the greatest club in the hands of the trusts to crowd the independents. It is thought that if such a bill can be passed, it will be a great advance in anti-trust legislation.

Fifty Years Ago

November 26, 1929

MOSCOW — Opposition in Russia to the present government policy, which is a development of the "right tendency," is being met in a giant campaign in the press, local branches of the Communist Party, and in speeches of the leaders of the government. The removal of Mr. Bukharin from the political bureau of the Communist Party is clearly foreshadowed in the attacks that have been made against the right movement, of which he was the leader. His membership in the Politburo in recent months has been purely nominal. Mr. Bukharin was once secretary of the Communist Party and is regarded as one of the most brilliant economists in the country.

The Choice the Queen's Surveyor Made

By William Pfaff

PARIS — The most striking thing about the Anthony Blunt story in London is that it was not really like a spy novel. Blunt behaved, he says, as a gentleman, an idealist. It was idealism, he says in the statement given to journalists, that made him a Marxist in the mid-1930s, and caused him to become a "talent-spotter" and spy for the Soviet intelligence service. But he did no great harm, he claims. He passed on military information at a time when Britain and Russia were allies. He indignantly denies that any British agents died as a consequence of his actions.

After the war, Blunt says, he changed his mind about the Soviet Union and stopped passing them information. But in 1951 he cooperated in the defection of Guy Burgess and Donald Maclean. After that, he resisted interrogations by British counterintelligence, keeping his secrets until 1964 because of "personal loyalty; I could not denounce my friends." In that year he was again approached by the security people who offered him immunity, and he talked.

The affair has a homosexual element. Burgess and Blunt were close, although the latter denies that they were lovers. Maclean, although married, had been homosexually compromised by Burgess. One reads between the lines of Blunt's statement words written by E.M. Forster, the Cambridge novelist, who was for many years an influential moral figure in Britain's homosexual community.

Forster said something in 1939 that became famous: "If I had to chose between betraying my country and betraying my friend, I hope *that I should have the guts to betray* my country." He added that "such a choice may scandalize the modern reader, and he may stretch out his patriotic hand to the telephone at once and ring up the police. . .Love and loyalty to an individual can run counter to the claims of the state. When they do — down with the state, say I, which means that the state would down me."

Kept His Job

But of course the state did not down Blunt. That is exactly the reason for the present scandal. Blunt came out of it very well. He was given the job of Surveyor of the Queen's Pictures, kept if even after confessing, and was knighted for his services to art.

It looks as if he will not do badly, considering what is past.

Forster, though, said something else just before his remark on friendship. He said, "I hate the idea of causes." He said that at the back of every great cause or creed there is "something terrible and hard for which the worshiper may one day be required to suffer." But in the case of Blunt, Philby, Burgess and Maclean, all worshipers of the great creed of communism, this hard thing was not required — unless permanent residence in Moscow can be taken as suffering. It may be. It seems to have finished off Burgess. Blunt also preferred to take his chances in London even though his Soviet contact ordered him to leave with Burgess in 1951. "I couldn't bear the thought of living in Russia."

No one suffered anything worse than exile. No one had his feet settled into cement, to be put into a lake. No one was dropped from a helicopter to speed the interrogation of his associates. No one had his fingernails removed or was connected to the electricity supply while being questioned. There were no "*terminations with extreme prejudice*," to use a phrase that is, regrettably, of U.S. origin.

Off to Beirut

Philby, under suspicion, nonetheless was sent off to Beirut with good jobs writing for The Economist and The Observer. He got away to the Soviet Union in 1963, according to one account, because when the intelligence service told him to come back to London for more questioning, he refused, and there was nothing to be done because it was foreign territory.

James Bond would have known what to do. Graham Greene, in his latest novel about British spies, "The Human Factor," has a bloodthirsty doctor in the security service who responds to the suggestion of a superior about the way to handle a Blunt — a suspected traitor: "I quite understand. He should die quietly, peacefully, without pain, poor chap. Pain sometimes shows on the faces, and there may be relatives to consider. A natural death . . ." The chief say, "It's a bit difficult, I realize, with all the new antibiotics . . ." The real Secret Intelligence Service seems not to have been up to Greene's standards of discreet decision and action.

Its critics would seem, though, to have Greene-like standards. The SIS is said to have been slack, class-minded, in excusing Blunt, the vison, while lower-middle class spies like George Blake and William Vassall were locked up. No doubt there is something in this. People do look after their own; class justice does function nearly everywhere, and certainly in England. Friends look after friends. That is what Forster was writing about.

Intelligence

The suspicion remains that none of this is quite important. It can be argued that spying in peacetime produces little that is useful. In peacetime — or Cold War — what is needed is not spies but intelligence, and intelligence comes from deep knowledge and understanding of a country and a political culture. It does not come from stolen secrets or double agents. Good intelligence would have spared the United States its present grief in Iran. Spying was, and remains, irrelevant. There were all too many U.S. spies in Iran between 1953, when the shah was restored to power with U.S. help, and last year. There was at the same time a near-total lack of intelligence. That is a problem beside which double and triple agents, old-boy protection, Cambridge Communism, and the rest are trivial matters. And the more people concentrate upon spies the further we are from solving the problem of intelligence.

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Looking to the White House

By David S. Broder

WASHINGTON — Say what you will about the imperial presidency, the place that people instinctively head when the country is in trouble is the White House. They go there seeking strength and self-assurance.

It was that way again this week, when the crisis in Iran was gathering. And it has been that way in the past. Richard L. Strout of the Christian Science Monitor, who, at 81 years of age, is probably the best and certainly the most provocative journalist in this city, remembers the other occasions. In his new book, "TRB: Views and Perspectives on the Presidency" (the title derives from the pseudonym he has used for the column he has written, as a sideline, in the New Republic for the past 36 years), he recalls some of those moments.

"On the night of Pearl Harbor, December 7, 1941," Strout writes, "I was one of the reporters huddled under the White House columns on the portico. Under a slight moon, grim senators in overcoats rolled up in their cars, to hear FDR tell them the horrid news. Some were isolationists who had said this was a 'phony war.' They came in silent and went out silent, and behind the iron fence a small crowd watched that, toward midnight, made an effort to sing 'America the Beautiful.' Nobody could sing 'America the Beautiful.' It quavered badly. It made me cry.

The Crowd

"The crowd was out there, too," Strout writes, "when they brought Jack Kennedy's body back. That crowd haunts the place. It always appears. It was out there when President Nixon fired Special Prosecutor Archibald Cox. It is an actor in the drama. When it materializes silent, steady, patient, watching all night — you know great moments of history are occurring."

It was like that again this week, as the drama in the Tehran embassy unfolded. Suddenly, the clatter of congressional debate and the maneuverings of the presidential candidates seemed petty and almost irrelevant. The country choked on its Thanksgiving turkey, the emotion making it hard to swallow. And the tourists, demonstrators and journalists. Strout among them, gathered at the White House again.

At an age when most men are retired, if not in their graves, Dick Strout is alert, active and pursuing his double-life in journalism as the uninhibited columnist for the New Republic and the wise elder of the Monitor's Washington reporting staff.

The day before Thanksgiving, we were together at a breakfast table as a pack of reporters quizzed retired Gen. Alexander Haig about his desire to become the 11th Republican in the presidential race.

Haig was in the White House, as Nixon's chief of staff, when Archibald Cox was fired. One of the reporters was unkind enough to recall Haig's efforts to rationalize that action as a necessary step to clear the decks for dealing with the oil crisis of those days.

But the general, his eyes flashing, said the people in the 34 states he has visited since returning from his NATO command are not concerned about his Nixonian past or his lifetime in the military.

He said the people of the United States, like the leaders of the allied governments with whom he dealt in Europe, are worried about the reverses the United States has accepted in its military and diplomatic tests with the Soviet Union and its puppets. "The impact on American credibility has been devastating," he said.

Lack of Will

Yet, he insisted, in any real assessment of the strategic balance, the moral, economic, military and political advantage lies with the United States and its allies — not with the Soviet camp. All that is lacking, he said, is leadership with the will to mobilize these forces.

"There is a great deal of nostalgia for the Eisenhower period," he said.

Strout asked Haig a pair of sharply worded questions about the general's opposition to the SALT treaty and was rebuked by Haig for one of them, as if he were a raw recruit to the journalistic ranks.

Strout looked like a man who had seen it all before, had seen the magnetism of the White House and the public longing for the man who, sitting there, might have all the answers.

"That [Haig]," he said as he pushed back from the breakfast table, "is the wave of the future."

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Letters

History Remedied

The editorial about smallpox (IHT, Oct. 30) recalls a curious ambiguity about who really discovered the vaccine against it. Any good encyclopedia tells you that Jenner, Edward, 1749-1823, first used cowpox vaccine in 1796 and published his results in 1798.

Yet the same encyclopedia will tell you that Montagu, Lady Mary Wortley, 1689-1762, introduced exactly the same treatment into England about 80 years *before* Jenner. She accompanied her husband to Istanbul where he was named ambassador to Turkey in 1716. She learned Turks commonly used cowpox material to immunize their children against smallpox, and she had her own children thus treated. When Montagu's tour of duty ended in 1718, she returned with him to England and began promoting the cowpox immunization method, winning some converts but making many enemies.

GORDON GASKILL.
Rome.

Saving the Hostages

Tom Wicker's column, "U.S.-Iran: a Time to Reason" (IHT, Nov. 13) reflects the timorous and negative policy so far followed by the Carter administration. The latter's pet psychologists have apparently persuaded it that a "go slow" and "wait and see" attitude offers the best chance of saving the hostages. However, I would suggest that as a very minimum response to this scandalous breach of international law, the following positive steps should be taken without delay:

First, the shah should immediately be returned to where he came from; his immense personal fortune is surely sufficient guarantee that he can secure the best possible medical care anywhere in the world. The decision to let him enter the United States was a blunder of the first magnitude; it only served to justify Iranian suspicions that it was a pretext for granting him subsequent, permanent asylum in our country.

Secondly, it should be made clear to Ayatollah Khomeini that a massacre of the U.S. hostages would be a *casus belli* and that it would be followed inevitably by military intervention.

Thirdly, in so far as federal legislation and precedent permit (one hesitates to recall the famous Alien and Sedition Act), any Iranian student in the United States) who agitates in favor of the Iranian student demonstrators in Tehran should be declared persona non grata and deported forthwith.

Fourthly, all our European allies should be urged to react in a spirit of solidarity with the United States to a situation that can only be condemned by all civilized countries and in which their own diplomatic missions might some day find themselves.

JOHN BARNARD ROBINSON.
Cheserex, Switzerland.

On the Fence

Maria Jolas (Letters, Nov. 15) is aghast "at the degree of barbarism displayed by the fanaticized mobs in Iran," and she is surprised at the official silence of our friends, now that our embassy people are being held as hostages unless we deliver the shah into the hands of the barbarians.

Actually, our friends are not behaving too badly. They are only sitting on the fence, still far this side of the point where they and Maria Jolas were when our boys were fighting to prevent millions of South Vietnamese and Cambodians from being delivered into the hands of people who would make them choose between death in gulags and massacres or a one-in-ten chance of escape in rotting boats or across mine fields . . .

HILAIRE DU BERRIER.
Monte Carlo.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address. The Herald Tribune cannot acknowledge letters sent to the editor.

The Mood In Moscow Is Wintry

By James Reston

MOSCOW — The mood of officials in Moscow these days seems almost as bleak as the weather. Winter is coming, and the Central Committee of the Soviet Communist Party will be meeting in a few days over a tangle of problems for the '80s.

They are preoccupied, as always, with their domestic political concerns, and also with real and imagined nightmares of security on their eastern and western flanks.

First, the talks here with a Chinese delegation about the normalization of Sino-Soviet relations have not gone well. And second, they are alarmed by the prospect of new U.S. medium-range nuclear missiles being deployed in Western Europe. The first outcome had been expected; the second is regarded here as a crisis, threatening the whole process of strategic arms control.

In the talks on China, Russia made two proposals: first, that each side undertake not to attack the other militarily with nuclear, conventional or any other weapons; second, that neither should adopt a policy of hegemony in Asia or anywhere else in the world.

It is known that China refused any discussion of principles unless the Soviet government met certain *preconditions. These included a* demand that Moscow withdraw its troops from Mongolia and end military aid to Vietnam. Moscow rejected these and all other preconditions, so the tension continues.

On the Soviet western front, officials here regard the deployment of U.S. missiles as a violation of the Carter-Brezhnev agreement not to change the East-West balance of forces, and they insist that new weapons would greatly increase the element of military accident.

They know, of course, that the U.S. has intercontinental missiles targeted on key areas of the Soviet Union. But they say if a U.S. intercontinental missile were fired by mistake toward the Soviet Union, there might be time — maybe 10 to 15 minutes — to neutralize it. In contrast, they insist, an accidental firing of a medium-range missile from Western Europe would give only from 2½ to 4 minutes' warning time — scarcely enough to avoid a nuclear strike and Soviet retaliation.

This is a reasonable but one-sided argument, for it obviously applies as well to the Soviet medium-range nuclear missiles targeted on NATO capitals. Officials here are being *tough about this, insisting that* they cannot talk about limitation of strategic arms with the United States and the NATO allies unless the West agrees in advance not to deploy the medium-range missiles. In short, Moscow rejects China's preconditions for detente in the East but insists on its own preconditions in the West.

The merits of the question aside, this is a masterpiece of diplomatic mistiming. President Carter, after the recent false crisis concerning Cuba, the dilemma in Iran where his prudent retraint has left him open to the charge of weakness, and after his struggle in the Senate for ratification of the strategic arms treaty with the Soviet Union, is hardly likely now at the start of a presidential campaign to submit to Soviet demands that he withdraw his proposal to deploy the new missiles.

By Way of Japan

I came here, by way of Japan, to talk, by pre-arrangement in Washington, with officials here who have some vision of the world of the future. Where were we going in this world of shortages and terrorism? Did anybody in authority here have any new ideas about the coming age?

The Japanese do. More than officials here or even in Washington, they are fascinated by the possibilities of the 21st century, and are analyzing, planning and adapting the ancient culture to their new role as a modern industrial nation.

Moscow is quite different. It is making progress. There is a little more freedom to travel here now. The people listen, without fear, to the Voice of America and the BBC. Housing is still a problem, but families now at least have the privacy of their own apartments.

But the government remains the same. Ask the leaders to speculate on the possibilities of the future and they tell you the '80s will be a decade of unlimited military arms production unless Carter withdraws those damned new missile plans in Western Europe.

It is almost as if — as with some elements in the SALT debate in Washington — the puzzling ambiguities of present world politics were too much for the leaders of the present time, and they almost longed for the familiar but dangerous simplicities of the Cold War.

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One

The Euromarket — 1979

Era of Restraint, Effort Looming to Halt Unbridled Growth

Decade of Easy Access Cheap Credit Ending

By Carl Gewirtz

IS (IHT) — A decade of easy access to cheap credit will end weeks.

ly, but inevitably, central ers insist, a new era of credit nt will be introduced to tame uromarket, the home of expa- currencies deposited with ercial banks outside the juris- of central banks, as govern- move to control the unbri- growth of international lend- banks.

ally inevitably, the slowed will increase political fric- as borrowers who have had ered access to credit are to compete for new loans.

a-OPEC developing countries, ample, got 43 percent of their oreign financing from banks ar, up from less than 10 per- the beginning of the decade. reliance on bank debt, which otals a gross $136.6 billion, abled them to manage their tic economic growth beyond nstraints normally imposed ir export earnings and to relying on direct foreign in- nt. Last year, foreign inves- pplied 14 percent of total for- nancing. By contrast, direct ment and portfolio invest- t the beginning of the decade ated for 19 percent of total fi- g.

Gross Debt

wise, Eastern Europe has run gross bank debt of $49.5 bil- enabling these countries to e imports of Western technol- d to avoid some tough do- decisions on how to allocate resources.

financing, as well as loans to ers in the industrialized and the oil exporting com- as been made possible by the arket's 25 percent average l rate of growth during the ive years. At some point this probably during the third r and, if not, certainly in the hree months, the gross size of arket passed the mind-bog- rillion-dollar level.

last official count on June 30, asel-based Bank for Interna- Settlements, the market's of- score keeper, estimated the t's gross size at $947 billion. was made up mostly of Euro- s — 66.4 percent in June and from 68.9 percent a year earli- large measure due to valua- hanges against the other cur- s. Eurodeutsche marks ac- ed for 19.8 percent of the l market, up from 17.7 per- and Euroswiss francs for 6 nt. Sterling, guilders, French and an array of smaller cur- s account for the remainder.

icials spend a lot of time ex- ng that the market's gross size o relation to the narrowly de- U.S. money supply (so-called which currently totals about billion, or to the world money y — which last year was esti- at about $1.7 trillion. The eason is that the gross Euro- t data includes redepositing nds between banks whereas interbank deposits are not in- d in the narrowly defined do- c money supply figures.

Net Size

e measure of the market's net excluding interbank deposits the group of countries sup- g the data, drops to $412 bil- s of June. However, that fig- still includes deposits from s outside the reporting area. ding these, officials estimate they call the net net size of the market at around $200 billion.

ile officials take comfort that amount of stateless money ing around the Euromarket not represent any threat to the management of domestic tary policies, the process of re- g the gross amount through ations of interbank positions more than a few laymen ing prestidigitators compile figures.

is lack of confidence in the ex- themselves is reinforced when a quarter of a century of expe- they can still argue whether ltiple expansion of credit nor- occurs and, if so, how big the plier is. Economists also disa- n whether the market expands ay it does — more than 800 nt on a gross basis between and 1978 — because of exces- supply (notably the U.S. bal- of-payments deficit flooding st of the world with dollars) or inflation-bloated demand for credit (causing as many Eurodollars to be created as borrowers are willing to hold).

The economists argue over such seeming basics as whether Eurocurrencies are money or quasi-money (credit balances) and whether the Euromarket is an independent source of world inflation.

Despite the assurances about the size of the market and the learned arguments about its nature, officials of the leading industrialized nations are in the process of bringing this vast unregulated sector of international finance under their supervision.

Specifically, the central banks of the Group of Ten — the United States, Belgium, Britain, Canada, France, West Germany, Italy, the Netherlands, Sweden and Japan — and Switzerland are agreed to seek consolidated balance sheets from commercial banks. In fact, it may take up to two years before all of them have completed the legislative hurdles making this law.

But when completed, most supervisory agencies will have their first global view of the exposure of the banks in their jurisdiction.

Likely as not, this supervisory authority, ostensibly sought to assure prudential control by bank regulators, will ultimately be used by the authorities as the basis for establishing limits to the growth of the market through establishing ratios of loans to total capital.

Central bankers are still discussing the pros and cons of control methods at their regular meetings in Basel under the aegis of the BIS. While continental bankers favor capital ratios, Washington argues for reserve requirements. A decision is now expected to be made this spring.

The resolve to limit the market's growth is a function of the rampant inflation that has scarred the world economy during the past 10 years. While economists debate whether the market is an independent source of inflation, there appears to be general agreement that, at the least, easy access to international bank credit has amplified the inflationary impulses emanating from domestic markets.

The conviction that the market can be tamed after years of piece-

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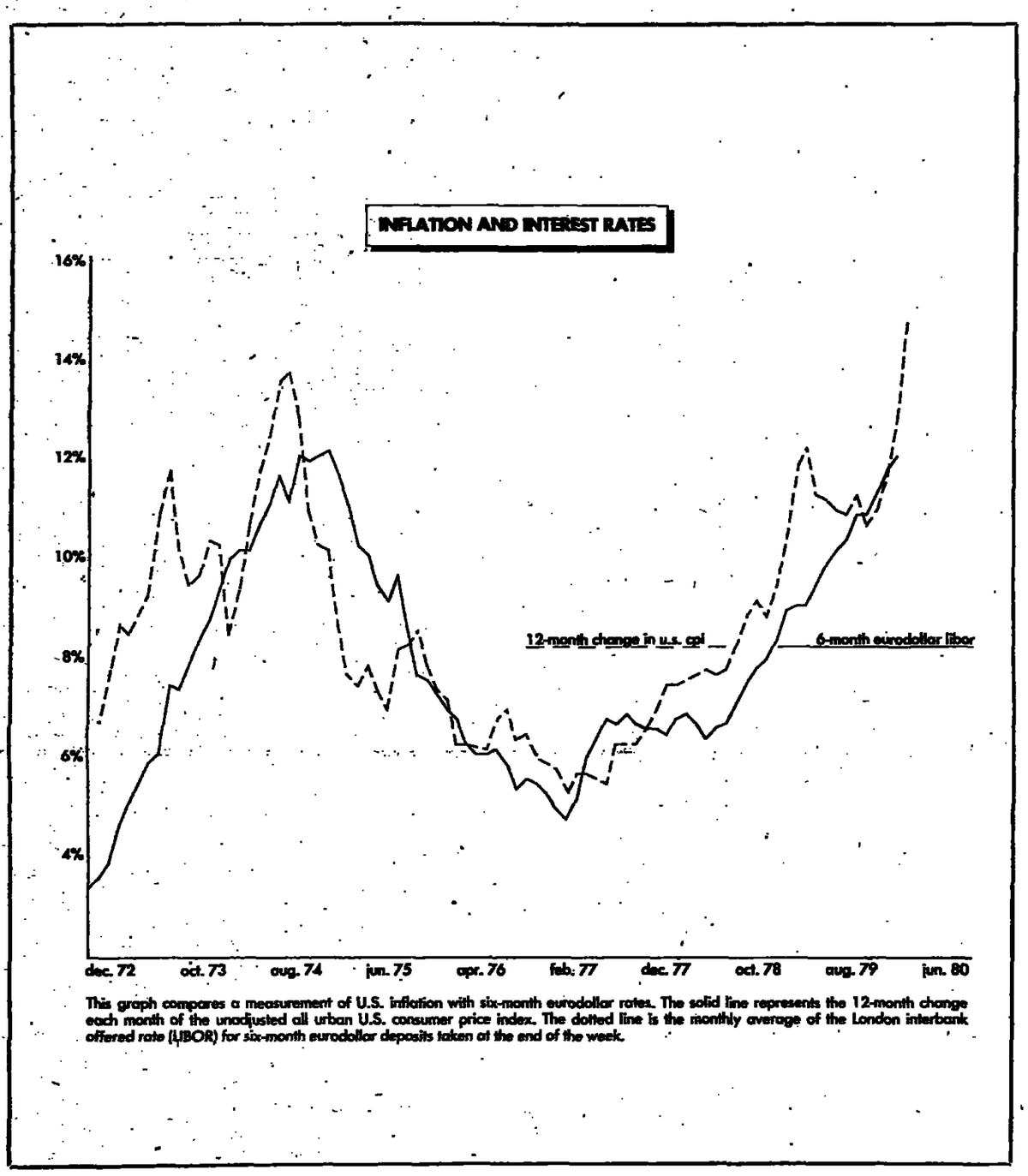

This graph compares a measurement of U.S. inflation with six-month eurodollar rates. The solid line represents the 12-month change each month of the unadjusted all urban U.S. consumer price index. The dotted line is the monthly average of the London interbank offered rate (LIBOR) for six-month eurodollar deposits taken at the end of the week.

Inflation Can Be a Guide To Future Yields, Prices

By William Ellington

LONDON (IHT) — An old and true cliche about bond markets is that inflation is the biggest enemy. Yet, inflation can also be a guide to the future as far as bond yields and prices are concerned. The investor who correctly anticipates changes in inflation can often defeat his traditional enemy.

Generally, interest rates and inflation rates move together. The accompanying graph illustrates this quite well. It compares on a monthly basis the 12-month change in U.S. consumer prices with six-month London interbank rates (libor) for Eurodollar deposits, taken as an average of the end-of-week rate during the month.

The six-month libor was chosen, partly because it tends to move broadly in line with the widely watched prime lending of U.S. banks, but also because it is a key rate in the Euromarkets. Most of the time, syndicated Eurodollar bank loans are pegged to the six-month libor and so are most floating-rate note issues.

Many economists would say that the U.S. consumer price index (now called the all urban consumer price index) is not a very good indicator of the rate of U.S. inflation. Nevertheless, it is convenient and up-to-date. Moreover, it seems to work reasonably well in our illustration of the relationship between inflation and interest rates.

Linked Rates

The main reason for interest rates and inflation rates moving together is that central banks, including the U.S. federal reserve banks, are entrusted with maintaining the purchasing power of the currency they manage. They do this by tightening credit and raising interest rates when inflation is accelerating, and conversely by loosening credit and lowering interest rates when inflation is subsiding and the economy is slack.

The link between bond yields and the rate of inflation is less direct but nevertheless the correspondence remains close. When yields on savings account deposits or long-term bonds are not high enough to compensate for inflation, private investors tend to channel their savings into real assets such as houses, durable consumer goods, antiques, gold and the like. At the same time, institutional investors such as insurance companies and pension funds usually boycott bond and stock markets by allowing the cash flow from their portfolios to accumulate in large-denomination, short-term instruments, whose yields respond quickly to upward changes in the rate of inflation.

The effect is to choke off the supply of funds to the bond market. As long as new money is raised by floating bond issues, downward pressure on bond prices is exerted and yield rises.

Moreover, as short-term interest rates rise in keeping with the pace of inflation, investors sell bonds to obtain the higher yields available on short-term instruments. At the same time, bond dealers try to trim their inventories of bonds because the cost of financing them is rising. Consequently, some time after short-term interest rates start to adjust to changes in inflation, bond yields follow suit.

Calculation

While there are many methods of trying to calculate what "real yield" is acceptable to investors after the effects of inflation are deducted, a good guess is that the market requires at least 1 percent but perhaps not a great deal more than that.

Between 1975 and 1978, inclusive, 17.953 billion of straight, fixed-rate Eurodollar bonds were offered publicly. Taking the yield to maturity of these offerings and weighting them by the size of the individual offerings, the average yield over the four-year period was 8.83 percent. In contrast, the average yearly increase in the U.S. consumer price index in the period was 7.64 percent. This implies a real yield of 1.19 percent.

This figure, of course, should be taken as only a rough approximation. However, the main purpose of trying to produce such a figure is that it can be used to estimate the "center of gravity" for bond yields on the basis of inflation estimates. For instance, if we estimate that U.S. inflation will be at around 10 percent toward the middle of next year, then it would be reasonable to suppose that nominal bond yields will gravitate toward 11.20 percent. This reflects the rate of inflation plus the real yield.

To be sure, the relationship between nominal bond yields and real yields at any particular time depends greatly on the market's expectations about the future rate of inflation. The historic relationship between these two is only a rough guide.

Price Forecasts

Once we have bond yield forecasts, bond price forecasts are mechanical. This is because bond prices rise as yields fall and vice versa. The theoretical relationship between prices and yields is expressed in bond tables for yield to maturity calculations. Using these tables, we would see that if 10-year bonds are now yielding 11.75 percent, then we can make an assumption about bond prices on the basis of our hypothetical forecast of yields falling to 11.20 percent.

For instance, if we take a 10-year, 10 percent coupon bond now yielding 11.75 percent and assume that its yield to maturity will decline by 55 basis points to 11.20 percent in six months' time, a glance at the yield table will show that the price must rise from 90 to 93.

Thus, yield forecasts carry with them an implied price forecast. If an investor foresees an abrupt change in yields, then he should look carefully at the capital gains or losses implied by these forecasts. At times bond prices can move more than stock prices, although this is a rare occurrence.

How should an investor go about forecasting inflation? The short answer is to look at published forecasts and then start making adjustments for what you read in this newspaper every day.

Rule of Thumb

As a rule of thumb, any analyst should be wary of government forecasts of inflation as well as those produced by government agencies. The reason for this is that governments seem to hope that their forecasts will be self-fulfilling. For example, if a low rate of inflation is forecast by government economists, then labor unions may be less aggressive with their wage claims. At the same time, consumers may be less inclined to go on a spending binge, which would push prices up faster, if they believe that there is no real advantage in buying now because prices are likely to be stable.

Moreover, from a politician's point of view, the electorate might suppose that the government is doing a good job if it is forecasting a lower rate of inflation. This could explain why U.S. government forecasts have consistently been on the low side, sometimes by a wide margin.

Banks, brokerage firms and private research organizations are among those which produce serious inflation forecasts. These forecasts are usually based on a careful examination of money supply trends, an assessment of government budget strategy, changes in raw material and commodity prices, the rate of capacity utilization and many other inputs. Some forecasts also take into account structural changes such as a prolonged decline in the rate of capital investment in plant and equipment.

Good as these forecasts can be, they have to be adjusted for political developments. If government officials are insisting that inflation can be squeezed only "gradually" from the economy because stop-go policies are to be avoided, then investors must take heed.

In this decade, there have been two abrupt and huge increases in world oil prices. By and large, bond and other financial markets reacted to these two developments only slowly. An alert investor, however, would have drawn his own conclusions even though forecasts at the time had not fully taken into account the inflationary impact of these oil-price increases.

As the world has become economically more interdependent in terms of trade and capital movements, significant changes in interest rates, exchange rates and other market prices have occurred more often. The magnitude of the changes has been greater than in the past.

It is not much of an exaggeration to say that the United States is no longer a closed market, which is in-

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Lending to Comecon: 'Enough Is Enough'

The astute Hungarians have been to the Euromarket for their almost traditional $600 million a year — 'their ration,' as one European banker put it.

By Alan Tillier

LONDON (IHT) — Bank of America Chairman A.W. Clausen had praise earlier this year for the Polish government's efforts to improve its trade position and, in so doing, ease its foreign debt exposure.

There has been a new vote of confidence in the troubled Polish economy by Western bankers, but lending to Comecon countries in general remains surrounded by ifs and buts already discernible at the end of 1978.

Then, lending to Comecon countries was still regarded as a good risk, despite increasing reservations of U.S. banks over declining spreads — the rates borrowers pay on loans over and above Libor (London interbank offered rate).

The situation remained largely the same this year with U.S. banks agreeing to participate in selective loans, but the view is that lending to Comecon countries at ½ percent over Libor is bad business even if no one doubts the ability of centralized Communist regimes to switch priorities and repay debts that may look horrendous on paper.

Some estimates put the total Comecon debt at $60 billion, up from $53 billion in 1978. But these are what bankers call "ballpark" figures. Borrowed money of the early 1970s has become due for repayment, but new borrowing is down. Little change should be expected in this year's final figures.

High Liquidity

Comecon borrowers have continued to benefit from a high liquidity situation, but in the words of one U.S. banker in London, "Enough is enough." The rate of ½ percent over Libor is the testing point of wills. Communist banks seek rates of ⅜ percent, the kind of borrowing terms obtained by prime Western borrowers such as Sweden. U.S. banks, in particular, would like a return to ¾ percent over Libor.

The active borrowers this year have been the Poles and the East Germans. The Russians have been absent from their market. The astute Hungarians have been to the Euromarket for their almost traditional $600 million a year — "their ration," as one European banker put it. The Bulgarians have been quiet, while the Rumanians have had trouble getting the best terms. The Czechs won some support from First Chicago and raised $250 million. (This credit for the Czech Foreign Trade Bank was the first Czech state Euromarket credit organized by a U.S. bank). What were the terms? As announced, they were ½ percent over the first five years of the 10-year maturity and ⅝ percent over the remainder of the period. "I heard it was ½ percent throughout," said a First Chicago competitor who was making the point that Communist state borrowers were constantly trying to drive down rates.

The significant factor has been the absence from the Euromarket of the Soviet Union and the joint banking institutions it controls. The Moscow-based Comecon banks, IIB and IBEC, have been restructuring their debts, repaying ahead of time. Soviet repayments have been estimated at $1 billion. IIB has raised $100 million through American banks at the ½ to ⅝ percent level, but this was felt to be a case of "testing the water." Previously, the Comecon banks were known in the market for their $500 million jumbo operations. "This latest borrowing was petty cash," said one London banker.

Soviet borrowing has been affected by the rapid increase in the price of gold. The country is sitting on an estimated $50 billion to $60 billion worth of the metal. It has been selling quietly and using the money to repay hard currency debts which could now be down to $8 billion or $9 billion.

The Polish debt remains on the order of $15 billion to $17 billion, but the collective view of London and Frankfurt bankers is that the Poles have done well this year in reducing their trade deficit to practically zero.

The big U.S. banks have therefore made an exception to their wait-and-see attitude with Comecon as far as Poland is concerned.

BOA organized a $550 million loan for Bank Handlowy Warszawie, the Polish State Bank, on split terms of 1.25 and 1.375 percent of Libor. At least two-thirds of the banks involved were American.

Aside from the Polish Government measures to restore equilibrium, the bankers were impressed by Poland's mineral reserves. "Poland has an abundance of copper and the price of the metal is rising," commented one banker. There are also considerable Polish reserves of coal, although Poland may have problems selling large quantities in the West at possible cut rates. Bankers see short term problems in Poland. This year's cutback on imports may have to be reversed next year for important reasons — but the long-term view is bullish.

Poland continues to borrow wherever it can in any currency. The view of a British banker was that rates for Poland will not drastically change and could even go higher. The Poles, for their part, are happy with the degree of renewed confidence.

Another plus for Poland has been the way the country's ministries and banking institutions have opened up the books and supplied more detailed statistical data and forward planning information. Western bankers are purring over this for it has been a longstanding complaint that basic information about Communist economies has not been forthcoming.

Although Comecon borrowers have not been able to break through the ½ percent over Libor barrier, some have come pretty close with the East Germans hovering about this mark in a $200 million credit they obtained through a group of banks led by Credit Lyonnais.

For its spring and autumn dip into the Euromarket, Hungary obtained fine terms of ⅝ to ¾ percent for a conventional $300 million syndicated credit organized by Morgan Grenfell involving European, Japanese and Canadian banks, and then a $300 million deal tied to the U.S. banking prime rate, which, at ½ and ⅜ percent over prime, gave bankers, led by Manufacturers Hanover, a slightly better return.

Yugoslavia, half in and out of Comecon, obtained a $700 million, British-organized package at ⅞ percent and is currently negotiating a $500 million refinancing deal through its "club" of major Western banks organized in this case by Chase Manhattan.

The Yugoslavs with their many friends in the Western banking world have had a fairly easy time arranging these massive credits at least until now. The danger is the Yugoslavs relative dependence upon the wavering West European economies.

Bulgaria has tapped the Euromarket for small sums, but Rumania has not had luck in its attempt to obtain the best rates — around ½ percent. A proposed Rumanian deal has recently been pulled from the market.

East-West

With the U.S. banks generally standing firm on their demand for a spread of ¾ percent over Libor, the absence of the major Japanese banks has proved another dampening influence on East-West borrowing. The Japanese have been barred, at least temporarily, from the market on orders of their Government, which is concerned about the banks' rate of lending.

These banks have provided an increasing proportion of Comecon money during 1977 and 1978. Delicate deals are currently that much more difficult to conclude, given the enforced departure of the Japanese.

Still, the Japanese had been largely responsible for driving down rates, so it is now up to Americans and Europeans to decide whether to fight for a return to ⅝-¾ percent margin. "The market is beginning to turn upwards for us — at last," said one U.S. banker. These could be early days, however.

Euromarkets

The Prospectus: Its Preparation and Function in the Marke

By J. J. van Marle

LONDON (IHT) — A prospectus is an objective document giving only factual information which should enable the investor to make his decision whether to invest in a given security.

In reality, the situation can be quite different.

Investors read in newspapers about countries. They buy products of major corporations and they generally develop a subjective "feeling" for a particular borrower — which may play a much more important role in the ultimate investment decision of the individual investor.

The sponsorship of an international issue is another important factor, and the presence of well-known banks in the management group should give the investor the satisfaction that those banks have made an effort to assemble and assess the relevant facts to ensure that the borrower and the issue are in a proper shape to be brought to the international market.

In this context, the prospectus has an important role to play. It should summarize all the relevant information on the borrower. And the preparation of the prospectus gives the borrower and the sponsoring bank, together with their respective legal advisers and accountants, an opportunity to review this information.

Spadework

They will have to bring it up to date, ensure that all material facts are included and correct, and that the issue can be brought to the market and be attractive to the investor. The prospectus is therefore not only the convenient booklet in which relevant information is assembled. It is the evidence that the necessary spadework has been done, and that the essential thought has been applied.

There are three vital considerations to an issue, all clearly described — one hopes — in the prospectus. These are: facts on the borrower and the guarantor; details of the terms of the bonds being issued; the actual mechanics of the issue.

First, let us consider the general terms applicable to the bonds. The investor must look at the coupon. This will almost certainly be annual, in common with most Eurobonds: the convention is to calculate Eurobond yields on the basis of an annual coupon — i.e. a 10 percent annual coupon is said to yield 10 percent per annum, whereas a 10 percent *semiannual* coupon under this convention would yield *10.25 percent*, owing to the accelerated receipt.

This is the reverse of the practice in the United States and British domestic markets, and is an important point when comparing different investments.

The amortization is extremely important, both in its timing and nature. A sinking fund commencing reasonably early in the issue's life, and retiring a fair proportion of the issue before final maturity, is considered to be a good discipline for the borrower. The borrower operates the sinking fund by purchases in the secondary market, or, if the market price of the bonds is above par, through drawings by it, according to a set schedule.

If there is a purchase fund instead, the obligation of the borrower is to buy bonds in the market according to a schedule, but only if the bonds are trading below par.

Separate provision is often made for optional early redemption by the borrower. The earlier the right of first call, the less attractive this is. *The premium over par payable for early call is* rather low, in Eurobond issues, and usually declines fairly rapidly each year until par is reached.

This is far less favorable to investors than in most domestic bond markets, where the borrower usually has to pay a much greater penalty for early redemption.

Some bonds are issued as private placements, without a stock exchange listing, although, in other respects, they may be practically indistinguishable from a public offer. The absence of a listing, however, will mean that several institution investors cannot buy the issue, which could lessen the marketability of the bonds.

Two features of Eurobonds are indispensable: they must be bearer instruments; and the coupons must be payable without deduction of withholding tax. It is worth checking in the prospectus that there is a provision, normally present, whereby the borrower undertakes to pay the same net amount to the coupon-holder, even if taxes are imposed. However, the normal course would be for the whole issue to be redeemed at once, and the terms usually include this power.

Last Resort

In the last resort, if a bond is dishonored, the bondholders will wish to sue the borrower. It then becomes crucial to know under which law the bonds are governed. One would normally expect to see U.S. courts or one of the leading European systems specified. Moreover, in the case a sovereign borrower or guarantor, it is important to see whether any sovereign immunity which might have been claimed is stated in the prospectus to have been waived.

The borrower should look to see whether the bond is constituted with a trustee or fiscal agent. A trustee appointed under a trust deed acts on behalf of the bondholders, and has power to agree to minor modifications of the terms of the bonds and to convene meetings of the bondholders to consider major modification of the terms.

A fiscal agent, on the other hand, is, broadly speaking, not concerned with the observance of terms of the issue, other than acting as agent for the borrower making payments to bondholders.

The legal and practical problems involved in *giving specific, or even floating, security to an* international issue, coupled with the usually good quality of the borrower, means that international bond issues are nearly always unsecured. There have been occasional issues where security has been offered (for example, utilities where the international issue can be made using the same trust deed and security arrangements as a domestic issue), but such secured bonds are rare. The bondholder in an international issue is often protected by the "negative pledge," and almost always "events of default" clauses.

In general, Eurobond issues have a negative pledge, which only bars borrowers from offering security on other quoted international issues — at least without also providing for the issue under question to be provided with similar (or other acceptable) security.

Negative Pledge

Although this negative pledge is considerably weaker than those offered in many domestic capital markets, some people argue that a less restrictive negative pledge can be beneficial, not only to the borrower, but also to the investor, if a time comes when the borrower is going through a rough period. Too many restrictions may trigger "default" clauses too quickly, which may prevent being tided over a difficult patch with additional finance.

What is, however, very important, particularly with a weak negative pledge, is the presence of a "cross default" clause — i.e. it should be an event of default when any other borrowing becomes repayable because of inability to service that debt.

An investor in an international issue can get some idea of the borrower's credit by looking at the basis on which the company borrows domestically. If all the company's existing long-term and bank debt is on an unsecured basis, this will be of some considerable comfort, particularly if the notes to the financial statements (which should be fully set out in the prospectus) refer to any restrictions laid down by the terms of existing borrowings. (For example, as to a restriction on total borrowings or limits on the payment of dividends, or similar matters.)

Through the operation of a negative pledge and the cross default clause, the international bond investor obtains some benefit from the domestic restrictions. If, however, all existing borrowings (or a material part) are on a secured basis, thus ranking ahead of the international issue, the bondholder is less well placed.

Turning to the question of assessing the credit-worthiness of a corporate borrower, any general rules are difficult in the international market, because capital structures, acceptable levels of borrowing and, indeed, accounts, vary so widely from one country to the other.

Borrowing Level

It would not be surprising, for example, to see *a much higher level of borrowing by a Japanese* company than by a British or a U.S. company. Similarly, many European countries also accept a high level of borrowing.

In addition, an appropriate level of borrowing will vary according to the business of the borrower. A business with a high degree of stability, such as a utility or mining project where the off-take is guaranteed under long-term contract arrangements, can afford, and will generally have, a much higher level of borrowing than a company in an industry subject to greater fluctuations in income and profits, like the motor industry.

Accounting conventions vary greatly between *countries and, although Japanese companies are* now moving over to fully consolidated figures, and the new EEC conventions will ensure greater conformity within Europe, it is likely that considerable differences will go on for the time being.

It would be quite normal in Britain, for example, for properties to be revalued, even for an industrial company, while a Swiss company would probably carry its properties (and often other assets) at an artificially low figure.

However, before turning to the financial figures, the first step in assessing a corporate borrower should be to read the description of the company and its business as set out in the prospectus.

Complications

It should be possible fairly quickly to get an idea of the business in which the company makes its money, and what its prospects are. An unduly long or complicated prospectus, with many footnotes and convoluted sentences — though not a clear indication of problems — should give rise to further questions.

The recent prospectus for the $1-billion issue for IBM (albeit in new York) was only 14 pages long, and the information on the company was only two pages. No more was needed to give investors the information and comfort necessary to make an investment decision.

Similarly, recent Eurobond issues for borrowers like the Canadian Export Development Corp. and Sears Roebuck were made using the British domestic basis of an "Extel card" — i.e., all the information for the issue was included on two statistical cards of about 20 by 8 inches.

Main Criteria

The next step is to examine the financial information on the borrower. The figures should certainly be audited, and the report should be examined to ensure that there are no material qualifications or reservations by the auditors.

Otherwise, warning signals should be hoisted.

The main financial criteria used for assessing a borrower for the purposes of a bond issue are the capital cover and the income cover — i.e., the assets available (after deduction of all current liabilities) to cover the company's borrowings *and, similarly, the income available before* interest (and before taxation) to cover the interest due on all the company's borrowings.

These ratios should be treated with great reserve — different countries with different accounting conventions consider different ratios acceptable.

Given all these reservations, a major U.S. or British industrial group would probably be considered overborrowed if it had a capital cover of less than the general order of two-and-a-half to three times — i.e., if, of the total capital employed by the company (including equity, preference capital and debt), debt comprised more than 33 percent to 40 percent.

There is no magic in these figures: they have to be assessed in comparison with other companies in similar industries with a similar economic background. A utility company, for example, will probably have a very much lower capital cover — perhaps down to 1.1/3:1 or lower — similarly, a major project with a guaranteed off-take at present prices might also run a very low capital cover — i.e., a very high gearing.

When assessing balance sheets and capital ratios, some items need particular scrutiny. Intangible assets like goodwill and trade marks are usually excluded and, in the case of calculating the capital ratio, should probably be excluded. Preferred shares have to be considered carefully. In some countries (notably Canada at present), they are merely a different form of bank debt, while in other cases, if they are participating and carry no automatic right to dividends, they are tantamount to equity. "Provisions" are, particularly in the case of some European companies, often hidden reserves to be drawn on in time of need.

Fixed Assets

Fixed assets are often stated below their real value. Sometimes, the insured value is stated, which often gives a better impression of the real value of fixed assets. Depreciation methods give a further indication of the degree of conservatism.

Likewise, income covers vary widely. A cover of three to four times would probably be considered the minimum, but, even more than capital covers, these need to be considered in the light of the industry and the stability of earnings. And, most importantly, the point the company has reached in its cycle or trend of earnings.

Profits vary much more widely than movements in assets, and in some industries the profits themselves can vary by a factor of many times from the top to the bottom of a business cycle. The prevailing level of interest rates must be considered — if a lot of the borrowings are on a floating rate basis, the covers can deteriorate markedly just from the action of higher interest rates.

Similarly, the covers may look good if the borrower has a material amount of fixed rate debt that dates from those happy days when interest rates were low — does this fall due for *repayment in the near future?*

Have all items been put through the profit and loss account?

Some items may have been charged directly to the balance sheet and capitalized. Examples would include research and development expenditure, and interest on construction in progress.

There are no set rules for these items. The real sense of the transfer and the value of the asset being built up in the balance sheet must be considered.

Fluctuations

Generally, it is best to average the figures covers over, say, three years to cover fluctuations from one year to another. Where depreciation is thought to be over- (or under) stated, calculations can be done by also adding back depreciation, to produce a crude "cash" interest cover.

While it should have become clear that it is not easy to value the credit-worthiness of a corporate borrower by just looking at the prospectus, it is even harder to base one's own judgement purely on information given in a prospectus.

Detailed country risk assessment is the task of the commercial banker, who lends in varying degrees to countries with very low national products right through the spectrum to the most developed countries in the world.

The task of the Eurobond investor is somewhat simplified by the fact that only countries with a fairly high credit rating tap the international bond markets.

Particularly in the case of supranational organizations, countries, provinces, or even of major developed countries, like the World Bank, European Investment Bank, France, Canada, Norway or Britain, it is hardly necessary to study the prospectus carefully (although an example of well-documented country information can be found in the prospectus for the issue of bonds due 1985 and 1993 by Britain in the New York market of April, 1978).

Country Analysis

However, with the growth of the international capital markets, more and more developing countries ar tapping this source of funds, and in these instances the investor is advised to have a careful look at the prospectus.

In conjunction with his value judgement, the investor should be able to reach an investment decision. He should guard himself against use of mechanical yardsticks, and the application of overrigid systems.

In conclusion, a Eurobond prospectus should enable an investor to form the opinion that the borrower will have the capacity to pay the interest and repay the principal. If any doubt exists, the securities should not be purchased.

Furthermore, a prospectus should make it possible to compare the credit-worthiness of borrower under consideration with other borrowers, thereby giving the investor the opportunity to make a judgement on the appropriate relevant price of such a security.

(Mr. van Marle is a director of J. Henry Schroder Wagg & Co.)

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Medium-Term Loans Syndicated at a Record Pace This Year

By Christian Hemain

LONDON (IHT) — Syndication of medium-term Eurocurrency loans among banks occurred at a record pace during the first 10 months of this year. The amount of money available within the international banking system has remained stable during this period. Conditions for bank loans have progressively improved in favor of the borrower.

However, the market appears to have entered a new phase. In the first place, the return to lending operations has become so low that real interest is being felt in the marketplace. Secondly, monetary authorities in some countries have acted to restrict credit availability and in some cases have taken administrative action to slow down lending activity.

Consequently, the syndicated loan market's dynamism recorded between January and the end of last month could well have been a swan-song. At the end of October, a noticeable slowdown in activity was observed possible and, what had been a borrowers' market since the beginning of 1977, was slowly turning into a lenders' market.

The volume of Euroloans signed or newly announced during the first 10 months of this year reached a record $83 billion. This represents a 3 percent increase compared to $77 billion for the whole of last year. The amazing performance achieved by the market this year is the result of increasingly advantageous conditions available to borrowers because of the huge amount of liquidity held by international banks.

Therefore, borrowers continued to advance previous debts at better terms and did not hesitate to raise fresh cash. An example: At the end of last year, Brazilian entities guaranteed by the government had to pay a margin of 1⅛ percent above interbank deposit rates over 10 years and 1¼ percent over 12 years. This month, the Brazilian government was able to look for $1 billion over 12 years with a margin of ⅝ percent during the first four years and 6 percent for the remaining years.

With very few exceptions, it was the same story for borrowers worldwide. In all, 22 countries have been able to tap the market for more than $1 billion each so far this year. For the first time in the market's history, a single country managed to negotiate international loans in excess of $10 billion — Mexico with $10.4 billion. This figure takes into account a $2.5 billion facility for PEMEX via bankers' acceptances to be issued in the United States.

The newcomer of the year on the borrowing scene is China, whose debut totaled $3.5 billion through 14 transactions, including a $2 billion operation with a consortium of 30 Japanese banks. In the borrowing euphoria which prevailed, even countries like Ethiopia, Lesotho and Malawi were capable of approaching the market for syndicated Euroloans. What was considered to be club restricted to a relatively limited number of members became more like Woolworths, especially as the price of spreads tended to be uniform for everyone.

One really needed a Somosa incident to preclude Nicaragua from tapping the enormous pool of funds available to everyone else. The usual criteria for lending, i.e. creditworthiness, outstanding debts, balance of payments, political and economic situations, seemingly were no longer taken into consideration by the Eurobanks in their fury to get rid of their excess cash.

The atmosphere in which this record amount of money was raised varied during the first 10 months. Actually, the market went through three phases.

The first phase, which took place over the first half of this year, saw most of the United States banks abandoning their previous reluctance to follow the spread-cutting trend and accepting lending margins below the ⅞ percent mark.

At the beginning of April, Citicorp suddenly emerged as the lead manager of a 10-year loan for the Spanish Instituto de Credito Oficial. The loan carried a split spread of ½ percent for the first two years and ⅝ percent for the remainder. The credit, which was initially proposed at $150 million, was ultimately increased to $180 million.

Two weeks later, Morgan Guaranty Trust Co. was, with Credit Lyonnais, the co-lead manager of a standby credit for Electricite de France arranged on the basis of a facility fee of ¼ percent and, if the funds were drawn down, a spread rising from 0.15 percent to 0.35 percent. Here again, large demand enabled the loan to be increased from $700 million to $1.1 billion.

By July, however, the situation started to change for those debtors borrowing heavily at rockbottom conditions, and the market entered its second phase.

The traditional participating banks, which provided a large part of the funds in small portions of $1 million to $5 million, vanished. It was still possible for countries like Argentina to raise a substantial volume but mainly through the management group. This evolution was understandable. The return for lenders was attractive, but only when the management fee was added to the meager spread.

The increasingly difficult syndication of transactions with too low returns for lending banks had the effect of multiplying the number of "club" deals, or Eurocredits fully underwritten by a small number of banks. Furthermore, lead managing banks tended to consider that syndication began as soon as they started to look for co-managers and no when ordinary participants were approached as was customary before.

The "club" deal system and the disappearance of usual providers favored the largest commercial banks because they had the muscle to underwrite considerable amounts. On the other hand, the borrowers did not realise that, by squeezing the traditional providing banks too much and by giving a kind of monopoly to a restricted number of big banks, they were achieving a sort of Pyrrhic victory. The limited number of lead managers will obviously rapidly reach their lending ceilings per country.

The third and most decisive phase began to develop last month. The Volcker package which was designed to reduce the expansion of the U.S. money supply, had an almost instant impact on foreign lendings by American banks. One result of the Fed's measures was to increase the cost of funding for U.S. banks. Therefore, they became very cautious and stayed on the sidelines as far as Euroloans were concerned.

At the beginning of this month, the Japanese Ministry of Finance decided not to authorize the participation of Japanese banks in any foreign lendings until the beginning of next year. This decision was the final blow, the climax of a series of previous measures which had tended to restrict the involvement of Japanese establishments in Euroloans.

At the start of this summer, Japanese banks were limited to underwriting a maximum of a third of each international Eurodollar credit offered on the market. Two months later, this ceiling was lowered to 20-25 percent. Soon after, Japanese banks were requested to ask for specific authorization from their Ministry of Finance for each loan in which they wished to be involved.

These different guidelines negatively affected the outcome of most of the loans with Japanese participation because, when the deals were completed, the precise volume of Japanese underwritings was always in question.

However, as long as the Japanese banking community was permitted to take 20-25 percent of a Euroloan, this certainty ensured the placement of the ultimate portion for which traditional providers were difficult to find.

By obliging the Japanese bankers to file an authorization, Tokyo's Ministry of Finance had already slowed down the speed of Japanese involvements in such credits. But, by refusing authorization until the end of this year, Tokyo has drastically changed the entire face of the market.

Low Returns

With U.S. banks already on the side-lines for cost of funding reasons, and most of the other Eurobanks having restricted their market activity because of the too low returns, the Japanese move is expected to check the pace of international lendings.

More important, conditions are likely to become less advantageous for borrowers, thus putting to an end the borrowers' market which started to develop at the beginning of 1977.

Tokyo authorities made one exception in favor of the Republic of Brazil's jumbo $1-billion loan. Four Japanese banks were permitted to participate. However, this dispensation was tempered by the relatively modest authorized amount to be underwritten: $125 million between the Bank of Tokyo, Fuji Bank, Industrial Bank of Japan and the Long Term Credit Bank of Japan, instead of the initially anticipated $300 million between the latter three. In fact, each of these three were permitted to underwrite only $25 million each, with the booking of the remaining $50 million being allocated to the Bank of Tokyo.

The first consequence of the change in market conditions following the U.S. and Japanese moves has been to halt the fall in margins which has been uninterrupted since January, 1977. On the other hand, this does not mean that spreads are likely to rise immediately. The return to healthier conditions for lenders should emerge first through shorter maturities.

(Mr. Hemain is the editor of the Agefi International Bond Letter & Eurocurrency Financing Review and founder and president of Caplogn International Finance Data Inc.)

'The Lines From London Are Engaged. Please Try Later.'

By Donald Grimwood

Most Eurobond dealers would agree that three essential requirements of a dealing room are a good communications system, a fast two-way information service and economic and efficient settlement . . .emphasis . . .on the last two.

LONDON (IHT) — "Lines from London are engaged. Please try later." This tape-recorded voice has its counterpart in other languages in other countries.

The overloading of telephone lines partly reflects the fact that working hours, lunch hours and different time zones conspire to limit the time when individuals in different centers are simultaneously at work and can communicate with each other. For instance, when an Englishman arrives at his office at nine in the morning, only two hours will elapse before his French colleague leaves for lunch. When the Frenchman returns, his English counterpart may be just sitting down for his lunch.

Most Eurobond dealers would agree that three essential requirements of a dealing room are a good communications system, a fast two-way information service and economic and efficient settlement. In recent years, much emphasis has been placed on the development and improvement of the last two. A great deal of thought and effort have also been expended on the advanced equipment needed to keep pace with ever-mounting office costs and the need to deal economically with increasing volumes of transactions.

In many cases, the result has been a hotchpotch of computer applications, residual outdated office procedures and well tried and often jealously preserved trading techniques. All this against the backcloth of a hopelessly overloaded public communications network.

It provides for free dialogue trading where a dealer is able to have direct contact with a market maker. Telephone trades may be booked through the system at reduced cost and in addition, the computer will accept orders given by telex. Much of the information provided is closely related to the dealing function. For example, the system supplies a market maker with confidential in-house information which shows the position and cost of each quoted bond, details of recent transactions, yields and conversion premiums, and other relevant details.

All participants have access to indicative quotations, details of specific bonds, new issues, general market news and a range of related items of interest.

As a computerized information and trading system, Eurex is designed to improve communications in the market, but not necessarily replace the personal contact of a telephone conversation. Eurex consists of a network of international leased lines connecting most of the European financial centers with a central processing unit in Luxembourg.

It has on-line links with the clearing houses, and its purpose is to cover the whole range of information, trading, and back office services for the Eurobond market. It enables dealers to enter orders which are broadcast to the market makers, subject to any dealing condition they wish to impose.

At present, the dealer is under greater pressure than ever before, contending with escalating costs, high interest rates, restrictions on dealing imposed by his own company and a market, which, because of its size and geographical location, becomes more unpredictable each year.

Concentration

When trading conditions are difficult and circumstances demand a high level of concentration, some dealers have little inclination to depart from a familiar and highly individualistic style of dealing. As a result, computer assisted dealing has received a mixed reception.

One particularly emotive reaction has been that it removes the personal contact of a telephone conversation and thereby does away with the power of persuasion and the ability to "read" a counterpart.

This is perhaps a slight overreaction which has obscured the fact that the system was designed to incorporate telephone trades as well as to supply additional forms of communication.

It is true that computer language in this sense is impersonal and limiting in use. Invariably there are occasions when it is essential to use normal speech.

This difficulty has, to a large extent, been overcome by the introduction of a facility for free dialogue that enables a user and a market maker to contact each other direct through the central processor.

Various keywords are used which are sufficient to complete a normal transaction as well as the settlement and confirmation but, if a particular reference or condition is called for, both participants may send short free messages.

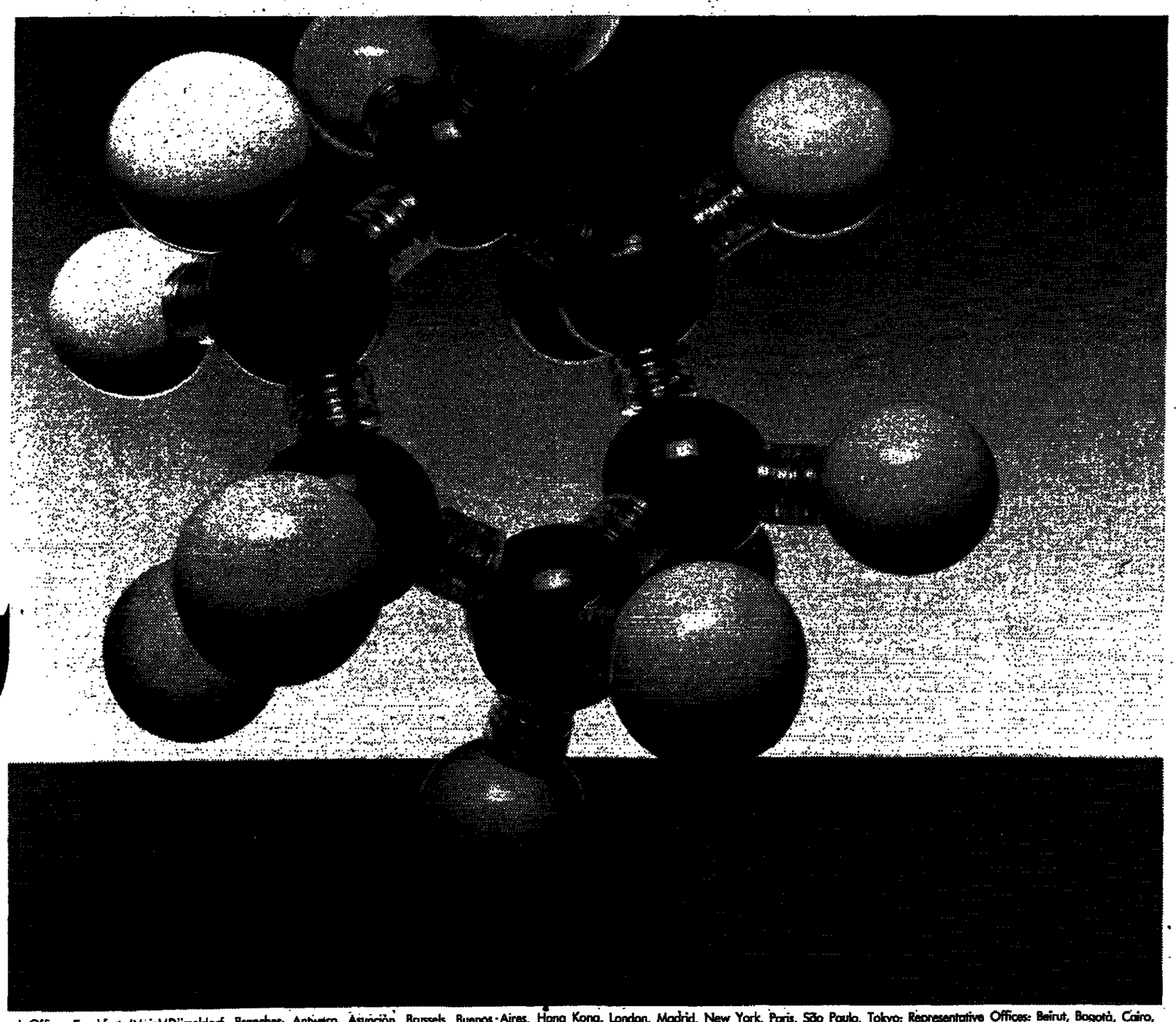
Despite the fact that most dealers do not take kindly to the use of visual display units and a vocabulary containing keywords and mnemonic codes, many are now taking the view that the advantages of the system outweigh the initial inconvenience of learning how to use it.

Many accept that, for example, the necessity of telephoning market makers in three or four countries merely to obtain an indicative price is not an economic proposition.

Looking further ahead, the computerized dealing room will involve a whole range of new services which, in the near future, could include portfolio management, foreign exchange, domestic bonds and shares, and the extension of the system into other networks.

Before going any further, there will be many problems to tackle, not least of all, the question of intercommunication between computers. Computer technology is being developed at a revolutionary pace by a highly competitive industry. It would seem reasonable for members of the Eurobond market to insist that any new computer systems being developed for their use also be compatible with those used by other members of the community.

(Mr. Grimwood is a director of Eurex.)



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Euromarkets

Portfolio Managers No Longer Holding Bonds Until Maturity

By Joseph N. Cohen

LONDON (IHT) — Bonds used to be bought and put away in the closet until maturity. Equities represented speculation. Bonds signified conservatism.

Conservatism meant not only that one was likely to be repaid when the bond came due, but, since in the long run we are all dead, that bond prices would be relatively stable in the meantime. This was true in the halcyon days immediately after World War II when the Federal Reserve pegged interest *rates in cahoots with the Treasury,* but since then, interest rate fluctuations have become progressively greater and cycles more compressed. For better or worse, portfolio managers have been *forced* to perform, particularly under the scrutiny of the actuarial mandarins comparing the records of rival money managers.

It is a bit chicken and egg to speculate whether methodology was developed to meet these practical pressures or whether the ideal of active bond portfolio management was only actualized after the relevant mathematical techniques were refined. A vast literature — some of it extremely abstruse — has proliferated and percolated down to money managers in simplified form.

The concept of yield, which reflects the principles of compound interest, is the starting point of any inquiry into fixed-income portfolio theory. Unfortunately, it is often invested with an almost religious significance, as though the true value of a bond were a simple function of certain yield calculations. A rudimentary examination of the underlying theory, however, reveals that yield concepts are convenient fictions — which can only predict actual returns in an approximate sense.

Trivial Truth

This uncertainty principle is not merely a corollary of market inefficiency — i.e. that many investors buy and sell bonds oblivious to yield considerations, or, more charitably, to total yield considerations — but a necessary consequence of the uncertainty of future interest rate movements. It is a trivial truth that portfolio managers no longer hold bonds to maturity.

There is a natural inclination to prefer high coupon bonds which can be explained psychologically as indicating a preference for near term rewards — i.e. a stream of regular interest payments as opposed to capital gains at some point in the future. One could also argue that there are good mathematical reasons to prefer high-coupon bonds in a high interest rate environment since one will be able to reinvest coupon income at relatively high reinterest investment rates.

The notion of current yield, or "running yield" in British terminology, reflects this interest in current income, but it fails to take into account the capital gains element implicit *in any fixed income investment.* Current yield is analogous to dividend yield calculations for equities — i.e. we divide the coupon by the price of the bond. For example, if a bond carries a coupon of 9 percent and is currently valued at 90 the current yield is 9/90 or 10 percent. One should note that maturity considerations are irrelevant to calculations of current yields.

Bond, unlike equities, have a well-defined explicit price appreciation/depreciation element built in (depreciation if one purchases the bond over par) assuming, of course, that the borrower is solvent and able to redeem the bonds at maturity. Sophisticated investors should, therefore, take into account this lump-sum capital gain/loss on redemption in assessing the relative merit of fixed-income investment.

Cash Flow

The concept of yield to maturity, which takes into account full cash flow on the basis that interest compounds at a specified rate over the life of the bond represents a more accurate measure of return available. Many professional investors fail to realize, however, that yield to maturity only gives a correct compound rate of return if the interest income over the period is reinvested at a rate exactly equal to the yield to maturity itself. Hence my earlier comment that high coupon bonds should prove more attractive in a high interest environment since one is compounding from a higher base.

The following yield to maturity comparison between a deep discount bond and a high coupon bond reveals the trade-off between the interest element and the capital gains element in any yield calculation.

	Price	Yld. to Maturity
Internat'l Widget 4% 11/1/89	62.61	10.00%
United Exploit. 9% 11/1/89	93.77	10.00%

Both issues yield the same 10 percent to maturity, although the capital gains contribution in the International Widget case is almost 10 times greater. Accordingly, for those investors who are taxed at a lower rate for capital gains than unearned income low coupon bonds tend to be more attractive, assuming that the yields to maturity on such investments are not sufficiently below current market levels to offset this advantage.

Because the capital gains element represents the present value of the lump sum payment which is deferred beyond the stream of interest payments, the application of a different discounting factor has a greater impact on the capital gains component than on the income stream. A change in the overall level of interest rates, which reflects investors acceptance of a certain return to a specific point in time, will, therefore, impact low coupon bonds more than high coupon bonds of the same maturity.

For example, if investors now require a yield of 12 percent to hold 10-year bonds, up from 10 percent *previously, the price performance of* International Widget 4 percent due Nov. 1, 1989 will be significantly worse than United Exploitation 9 percent due Nov. 1, 1989:

	Price to Yld. 10%	Price to Yld. 12%	% Change
Internat'l Widget 4% 11/1/89	62.61	54.12	-13.56%
United Exploit. 9% 11/1/89	93.77	82.80	-11.70%

The concept of volatility relates given changes in-yield requirements to various characteristics of a fixen-income investment — particularly coupon, maturity, and general yield levels. If we hold two of the three values constant, all things being equal, a bond's volatility will increase;

a. the lower the coupon
b. the longer the maturity
c. the higher the initial yield level

The impact of maturity can be seen *from the following example:*

	Price to Yld. 10%	Price to Yld. 12%	% Change
Internat'l Widget 8% 11/1/94	92.28	85.28	-7.59%
Internat'l Widget 8% 11/1/2009	81.87	67.46	-14.53%

Volatility clearly is a two-way street, which explains why portfolio managers tend to concentrate their attention on the longer end of the market when they turn bullish. However, the shape of the yield curve is an equally important determinant in investment decisions since interest rate requirements do not change equally through time along the maturity spectrum.

In the current environment, for example, we have a monotonically inverse yield curve — i.e. yields decline continuously as maturities lengthen. Two-year U.S. Treasuries today yield 12 percent, 5-year Treasuries 11.10 percent, and 30-year Treasuries 10.40 percent. Yield curve analysis has to take into account many factors of which has varying influence depending on which area of the market we are focusing. Inflationary expectations would tend to have a greater effect on longer maturities, for example. We can easily imagine a bull market scenario for 1980, which would favor intermediate term issues at the expense of long bonds, contradicting the simple wisdom of buying the long end of the market in a bull cycle. *If the expected U.S.* recession is deeper than currently envisaged and credit demands drop off markedly, it is likely that short-term rates will fall dramatically from current levels, dragging down intermediate term yields with them.

Understanding that the con[illegible] of yield to maturity is a conve[illegible] fiction (since a variable re[illegible]ment rate will apply on [illegible] received throughout the life [illegible] issue), we should also take [illegible]count certain extraneous factors [illegible]yond the investor's control — [illegible] features and sinking fund/purch[illegible]ing fund redemptions.

(Mr. Cohen is a general partne[illegible] Kuhn Loeb Lehman Brothers In[illegible]national).

Dealer Technology of 1989

By Stephen Herman

LONDON (IHT) — Technology has a distressing habit of making progress in huge leaps. But, fortunately for the average dealer-in-the-street, technological developments have not exactly come bounding into his or her daily life. Instead, the technology that has been developed over the past decade has insinuated itself into the dealing room in a dignified and almost civilized manner.

Dealing rooms trading every sort of foreign exchange, monetary instrument, stocks and commodities have been gradually equipped with technological mar*vels to facilitate branch to* branch communications, trader to customer communication and inter-office communication — the latter not always successful. You often hear, "We can find out what the dollar is doing in Manila in two seconds flat, but it takes three days to get a note to the fourth floor asking for the broken coffee machine to be repaired!"

Pesos to Pork

There are now computer displays of news and of information on a bewildering variety of subjects from the Argentinian peso to frozen pork belly futures. Banks already have access to an automated settlement system and the "electronic telex," which will speed communication and the completion of deals even further, is about to be introduced.

Many trading rooms have in-house computers holding client records, dealing limits and trading positions as well as simple tasks such as foreign exchange calculations or interest yields. Indeed, fully automated dealing systems which will match bids and offers entered into the system while taking account of individual limits and the quality of names, are being developed.

Microprocessor

The microprocessor is going to make itself felt more quickly than previous developments not merely because of genuine opportunities to save time, effort and costs but also because it is going to be cheap. And successful dealing is about not being at a disadvantage to your competitor.

So what might a dealing room look like in 1989 and just how might the dealers be earning their living? A retired trader visiting his former dealing room in a decade would be struck first of all by the relative pe[illegible] and quiet compared to his day. He may also [illegible] surprised at how tidy everything was, no clutte[illegible] wires and cables and scatters of papers and comp[illegible] printouts.

There would still be plenty of noise from the deal[illegible] shouting bids and offers, but a marked absence of background chatter of telexes, teleprinters and [illegible] boxes. He would find perhaps half the dealing staff [illegible] duty, each dealer sitting in front of a screen a[illegible] millimeters thick with a small keyboard on the desk [illegible] front of him. This single terminal (actually a very [illegible]phisticated micro computer) will give the dealer ac[illegible] to a variety of rates and information from informa[illegible] suppliers round the world.

If the dealer is in an overseas branch, he will [illegible] access to the complete head office data base, includ[illegible] the economic models on which group's trading po[illegible] is based. To inform the world of the rates at which [illegible] is prepared to buy or sell, he will merely have to [illegible] his prices to the terminal to have them displayed [illegible] will be able to complete deals by speaking some [illegible] la such as "At X, I buy Y" and letting the com[illegible] match up his bid or offer with the best counter bi[illegible] offer available in the system, subject to whatever [illegible]tations he murmured to the terminal that mo[illegible] Once a counter party has been found, confirma[illegible] and settlement will be handled by the system. [illegible] paperwork will be necessary. In quiet moments, he [illegible] even be able to read the pages of this publicatio[illegible] the screen.

If the dealer wants to find out about market [illegible]ment, the roof-top dish will enable him to contact [illegible]ry financial center with ease. He will not readily a[illegible]ciate the frustration of wanting to deal but being [illegible] able to make contact with anyone. He will not u[illegible]stand how it was that his retired colleague ev[illegible] "stuffed" because he did not know what was goin[illegible] He will make jokes about how easy it must have [illegible] to make a turn when the spreads were so wide. H[illegible] undoubtedly work from home some of the time [illegible] the same terminal his wife uses to order the gro[illegible] When he is fed up with the television program, [illegible] sit and watch the dollar or commodities trading [illegible] other side of the world.

(Mr. Herman is a director of AP-Dow Jones Te[illegible]

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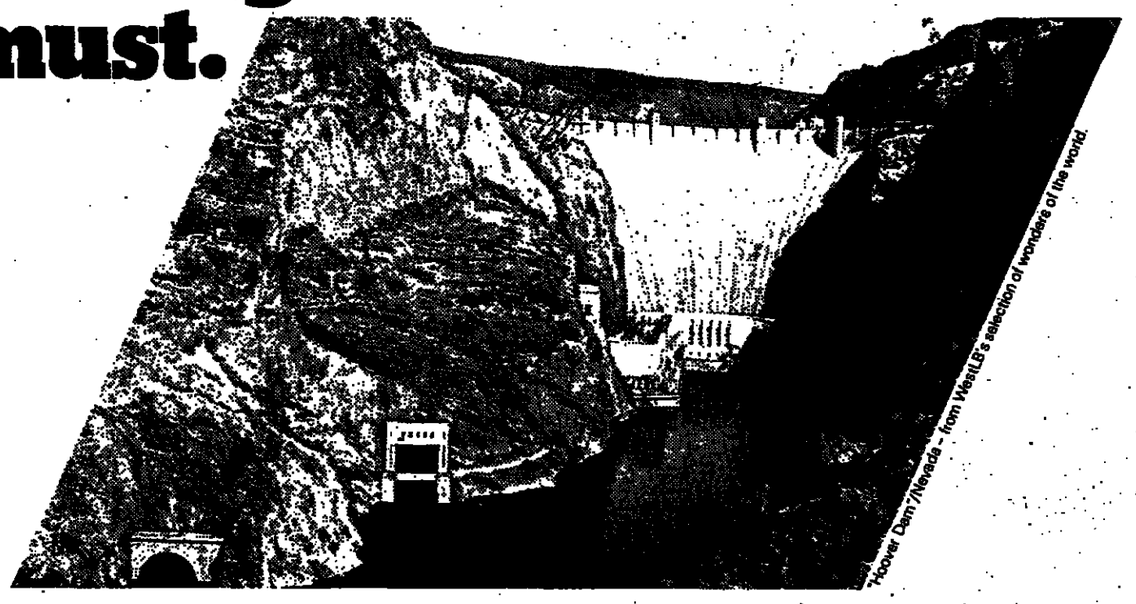

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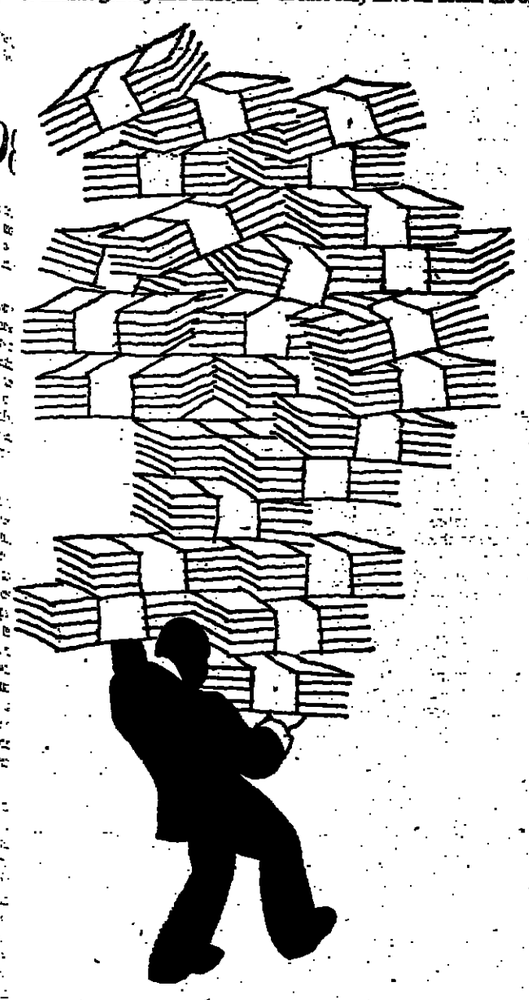
Trading Prices Occasionally Defy the Laws of Market Gravity

By Charles R. Geisst

LONDON (IHT) — In the Euro- bond market, as in all bond ets, one maxim holds true. n interest rates rise, bond pric- ll. Despite this, prices on cer- bonds occasionally defy the of market gravity and trade far



e their counterparts in the sec- ary market.

e reason that some issues are to defy Newton's law is that they have sinking fund redemption provisions attached. These provisions set aside a specific amount of bonds to be redeemed prior to maturity. By doing so, the ostensible maturity date on the bond is actually reduced and a 15-year bond may in fact only have an actual life of 11 years or so. The actual or average life depends upon the size of the sinking funds calls.

How does this affect the price of a bond itself? Most sinking fund provisions state that the call will retire X amount of the bonds at par value. If the bond price is currently at 90, the holder stands to make a 10 percent capital gain if he purchased them at that discount.

In a nutshell, it can be seen that there is an opportunity for capital gain if an investor recognizes these facts and is quick to purchase at a discount. However, the actual mechanics of sinking fund redemptions show that not all issues with sinking funds, or other optional retirement provisions, will move to an artificially high price vis-a-vis those issues with no sinking fund provisions attached.

Expatriate

The Eurobond market has witnessed a large number of bonds issued with sinking funds, especially in the dollar and Deutsch mark sectors. This is due to the expatriate nature of the market and to investor preferences as well. Since Eurobonds trade outside domestic markets and normally have been issued at a slight risk premium to reflect this, sinking funds give the borrower some relief prior to the stated maturity in the event interest rates fall in the future. And Eurobond investors tend to prefer shorter maturities than those normally associated with the long-term structures of some domestic markets. Sinking funds satisfy both conditions.

Sinking fund calls are again becoming an important factor in the long-term compartment of the market. They retire a stated percentage of an issue, beginning several years after the issue date. During the interest rate shakeout of 1974-75, issues of long-term Eurobonds (10-15 years) became something of a rarity since conditions were not conducive to long-term borrowing. Beginning in 1976, long-term issues again became more common and many initial calls will take place next year.

The redemption call itself normally takes the form of a retirement whereby the borrower will draw the stipulated amount of bonds by serial number and call them in at par. The actual call price is determined at time of original issue and can vary by a percentage point or so over the actual number of years the sinking fund operates.

In order for the bond price to rise artificially above the level of comparable counterparts in the market, the sinking fund redemption will have to be of sufficient size in order to appeal to the investor. An example of how the process works illustrates both the potential benefits and pitfalls.

An investor finds that a 9 percent, 15-year bond is currently trading at 90 in the secondary market and has a sinking fund redemption due shortly, at par. The original issue was for $50 million and the call will redeem $5 million for each of the next 10 years. In the first year, the investor has a 10 percent chance of being called and 12 percent in the second year. As years pass, the probability obviously becomes greater. When combined with the current yield on the bond (10 percent), this possibility can present a high return on his investment.

However, if the calls are for smaller amounts, the probability becomes poorer and there is less likelihood that investors will purchase these bonds in anticipation of the call. As a result, bonds with small sinking funds in proportion to the total issue will have prices in line with the market.

The attraction of a callable bond must be understood within the context of the funding costs of the investor in addition to current yield and potential for capital appreciation. The purchaser might have to borrow the funds to make the purchase and this factor becomes crucial in the decision making process.

The reason that some issues are able to defy Newton's law is that they have sinking fund redemption provisions attached. These provisions set aside a specific amount of bonds to be redeemed prior to maturity.

Under normal interest rate conditions, where the yield curve slopes upward, the investor could borrow short-term at less than the bond's coupon rate and completely fund himself plus make a small differential on the spread between the two rates. But under present market conditions, where short-term rates are higher than the long-term, or negatively sloped, funding is more expensive than the coupon yield and such a strategy becomes virtually impossible.

Thus, it can be seen that, given favorable conditions, investors can gain by buying bonds in anticipation of sinking fund calls. But one other factor enters here which tends to reduce the obvious probabilities, making the likelihood of profit less appealing. Simply, what is good for the investor is also good for the issuer. The borrower itself may decide to utilize the same discount market conditions in order to save money on the sinking fund call.

Many bonds with sinking fund provisions also contain an optional purchase clause giving the borrower the right to purchase bonds in the market in order to satisfy retirements. Naturally, this will vary from issue to issue in both the dollar and mark sectors. But in most cases, the issuer can utilize the same market conditions that attract the private investor.

Such actions on behalf of the borrower are exercised by its agent bank. When a bond slips to a discount, and the indenture permits, the agent may purchase them in order to satisfy the mandatory sinking fund redemption. obviously the buying by the agent will raise the price in the marketplace but the price will again settle down after the activity ceases.

There is also an opportunity for investors to make money in this process if they offer their bonds for sale after the agent bank decides to act. But the profit would be much smaller than the 10 percent appreciation in the example used above if the sinking fund alone was operating, perhaps only three points as opposed to the full 10 points.

The only time sinking funds would take precedence over optional purchase funds is when bond prices move up as general interest rate levels begin to decline. Then it would be feasible to allow the sinking fund alone to operate at par rather than purchase bonds at perhaps a hefty premium.

Thus, it can be seen that the investor can take advantage of discount prices vis-a-vis sinking fund redemptions if his sense of market timing and expectations are correct. But it must be stressed that his major competition under discount market conditions normally has a huge amount of buying power at its disposal which can virtually erase anticipated gains if market conditions should suddenly change.

(Mr. Geisst is an investment analyst at Orion Bank and author of "Raising International Capital: International Bond Markets and the European Institutions.")

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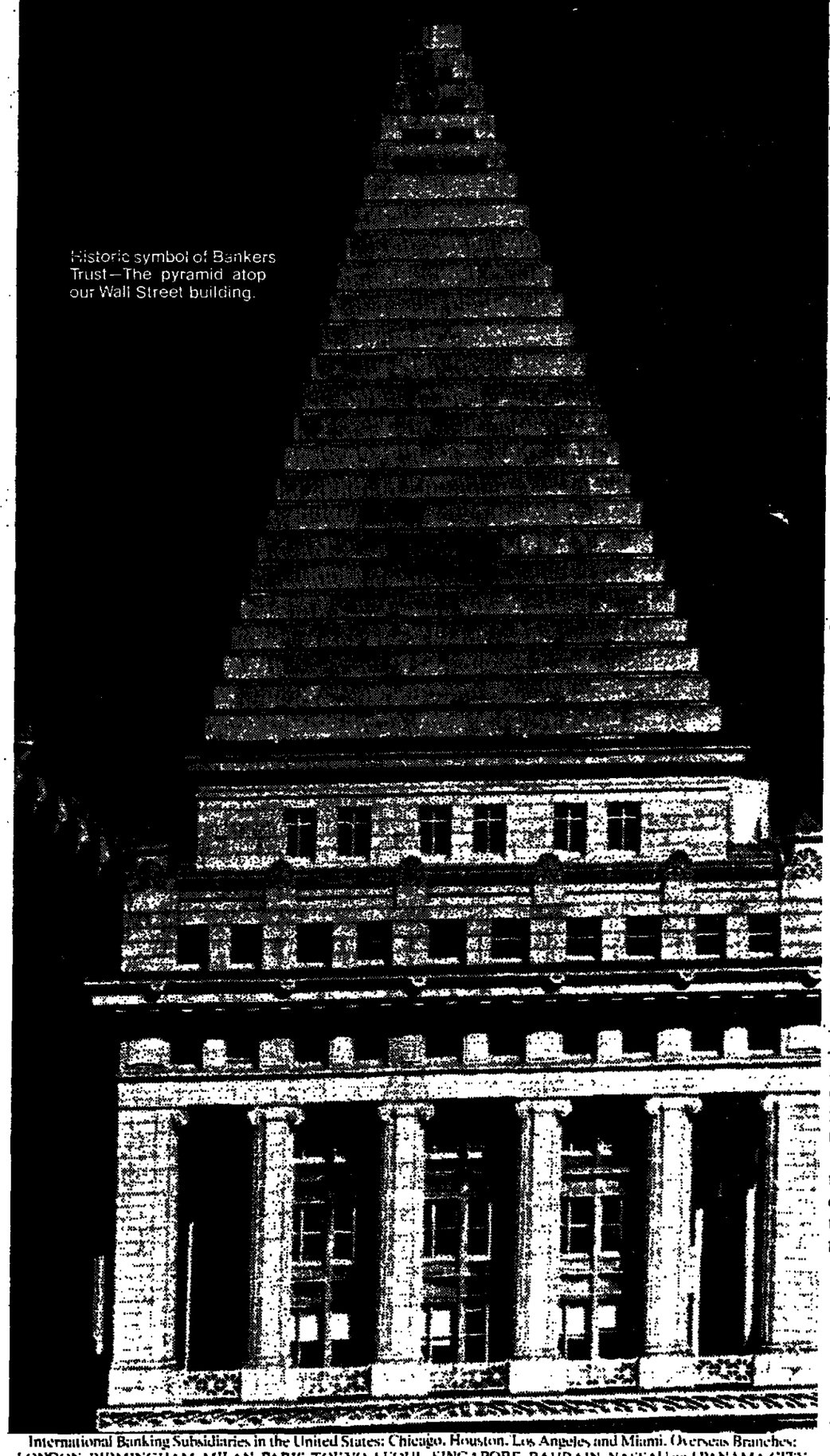

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Euromarkets

Unsettled DM Market Agitated by the Political Events in Ira

By Darrell Delamaide

FRANKFURT (IHT) — The uncertainty thrown up earlier this month by the U.S. block on Iran's bank assets and that move's consequences for investment policy of other oil exporters agitated further the rather unsettled market for deutsche mark Eurobonds.

The sharp climb in German interest rates from the beginning of the year peaked during the summer, but was reversed again with the "Volcker packet" in October so that the market once again is seeing 8.5 percent coupons for domestic issues and this time for the Euromarket as well.

Meanwhile, the heavy writeoffs occasioned by the drop in securities and the squeezed interest margins have pinched bank earnings, which are expected to show their lowest level, relatively speaking, in many years. A further, and very important, problem for the major German banks is the heavy cost of the financial restructuring planned early next year for the ailing AEG-Telefunken.

The earnings crunch has, if anything, made the banks more aggressive in international markets. Some banks, as a result, have forgotten how to read unwritten rules, and the participants to gentlemen's agreements have occasionally acted in an ungentlemanly fashion.

The German central bank, the Bundesbank, has mercilessly tightened bank liquidity throughout the year, while moving at the same time to clamp down on the ways and means by which foreigners acquire mark assets.

Market operators are hesitant to make predictions in such an unsettled situation. The Bundesbank's boost at the end of October of the discount and lombard rates probably is the last major credit policy decision for the year. Dealers expect capital market rates to remain fairly stable at a high rate through the turn of the year.

Without the Iran wrinkle, then, it would have been a question of how the market evaluated the effect of the new U.S. Federal Reserve policy on the dollar and what happened to U.S. interest rates.

"It all depends on what happens in America," commented the chief Eurobond dealer at one of the major Frankfurt banks.

"If the American measures work, then there will be a dramatic turnaround," reckoned a new-issue manager at another institution. He notes that the anomaly of short-term rates topping the long-term has put a lot of investors in a hold position. "There's no urgent selling," he continued, but noted that the market has turned relatively soft.

The erratic turns in issuing volume this year — from 1 billion marks in May to 300 million marks in June back up to 1 billion marks in July, for instance — reflect the unsettled nature of the market. This is not likely to change.

The pressure of the situation has heightened the competitive tension among the banks, which has erupted in disputes which could not be completely muffled. Some have created bad blood that will not be easily forgotten.

A recent incident was the public issue last month for the African Development Bank for 100 million marks for eight years at 8 percent. Lead manager was DG Bank. The African lending agency made its debut in the Euromark capital market in May, with a similar offering, only under Deutsche Bank management.

There is an unwritten rule among the German banks that one does not take away another's customer in the public issue market. Even though regular borrowers, like the supranational lending agencies, may tap various management consortia for placements, the borrower is expected to be faithful to his lead manager for public offerings and the other banks are expected not to cuckold their colleagues.

"The African Development Bank apparently wasn't educated properly about the customs here," sniffed a participant in the original management consortium.

Nor has DG Bank, a latecomer to the international scene but a fast starter due to the financial muscle of the vast network of cooperative banks in its system, shown itself always willing to abide by the rules set up by a club to which it doesn't belong.

2d Offering

At any rate, the second offering for the African institution went to market without the participation of most of the "club" in the management group.

The club, of course, is the Eurobond Subcommittee of the Central Capital Markets Committee, an informal but influential organization representing six of the major banks active in Eurobond management. Set up in 1968, when things were simpler, the subcommittee has become more controversial as the importance of the DM Eurobond market grew and the number of banks anxious to take part also increased.

Of the six members — Deutsche Bank, Dresdner Bank, Commerzbank, Westdeutsche Landesbank, BHF-Bank, Bayerische Vereinsbank — only BHF-Bank, which has had close links to DG Bank in international business, took part in the management consortium. But subcommittee members counter that there was no question of a boycott. "It's simply a natural reaction when the normal courtesies of arranging a consortium aren't observed," commented one of the nonparticipants.

A second incident arose earlier this month, when BHF-Bank sprang into the opening created by the removal of foreign exchange controls in Britain. The Frankfurt bank managed together with the London merchant banks a listed placement targeted for London institutions who previously were hindered in holding foreign currency assets.

Borrower was the European Investment Bank, which, contrary to its usual practice, offered a generous coupon to entice investors into what could have been a major new source of funds.

Minor Uproar

The market was short-lived. Although all the gentlemen's agreements were observed — BHF-Bank usually ranks as the gentleman's gentleman — the placement nonetheless created a minor uproar among the powers that be. The matter was thrashed out at the subcommittee meeting Nov. 12 and it was made known that in the future no deutsche mark placements would be placed directly outside the German capital market and none would be listed exclusively on a foreign stock exchange (the EIB issue was listed in London).

Some banks . . .have forgotten how to read unwritten rules, and the participants to gentlemen's agreements have occasionally acted in an ungentlemanly fashion.

At issue here is not the subcommittee and its jurisdiction, but the much wider issue of what form the Euromark capital market should take and what rules should govern it. An important voice in basic principles is the Bundesbank itself, which sits in on the subcommittee meetings and in a variety of ways makes its wishes known.

But on the question of manners and rules, the most influential voice belongs to Deutsche Bank. The biggest of the German banks, the first in the field, and by virtue of assiduous cultivation, the most fruitful of the German banks in international markets, the bank is conscious of its standing — it is No. 1 and intends to remain so.

This is more than idle vanity. The virtuous circle of well-developed placing power resulting in successful issues resulting in more customers resulting in added placing power has kept Deutsche Bank at the top. Investors and borrowers both are keen to do business with the best — and biggest is generally equated with best.

Unlike the Swiss banks, the German universal banks rely very little on discretionary accounts for placing their issues. Rather, the main takers are those capital pools — central banks, offshore funds and other institutions — which do business with the bank on a variety of levels.

"We all sell to the same people," explained a Eurobond executive at another Frankfurt bank. "The only difference is that Deutsche Bank was the first one there."

This headstart has been fostered by an aggressive and generally successful acquisition of borrowers. But the other German banks in successive waves have made their inroads into the market as well — and the competion is tougher.

"It's not unheard of," confided an insider, "that a bank with a mandate will quickly go to a few big institutional investors and place its quota before sending out the invitations for co-management. Then when we go to these same customers, they say they've already been serviced by the managing bank. Then that is called placing power." An ungentlemanly practice, and hardly confided to the deutsche mark market; another source of bad blood between banks who willy-nilly have to do business with each other and keep on good terms.

The demonstrated ability of the German banks to balance self-interest with a responsible attitude toward the market, exemplified in the subcommittee and its generally smooth functioning, is being put to new tests, and the efficiency of the DM Eurobond market will depend how it meets them.

Meanwhile, the Bundesbank is working with the banks to restrain a development it cannot altogether stop — the increasing use of the deutsche mark as a resere currency. A study published last month by the HWWA Economic Research Institute in Hamburg showed [illegible] percent of world trade is co[illegible] on a D-mark basis. This is a[illegible] second to 51-52 percent for [illegible]lar, but twice the 6-7 perc[illegible] for the pound sterling a[illegible] French franc. For that reason [illegible] questions of exchange rate st[illegible] aside, the German currency [illegible]ing in weight as a reserve curr[illegible]

Last month, the Bundes[illegible] asked for and got both a rene[illegible] the six-month old agreement [illegible]ning D-mark issues by Luxem[illegible] subsidiaries of the banks for [illegible]count of the parent and a restri[illegible] on the placement of prom[illegible] notes (Schuldscheindarl[illegible]) among foreign investors.

At the same time, the [illegible] bank formed a committee [illegible]ing of representatives of the [illegible]desbank and four comm[illegible] banks. The committee is to [illegible] the two measures and the [illegible]ing issue of bank borrowing [illegible] — which can circumvent the [illegible] bank's attempt to limit bank [illegible]dity.

This along with the much [illegible]cized gentlemen's agreement [illegible] the Bundesbank and the b[illegible]pervisory agency in Berlin a[illegible] Luxembourg activities and [illegible] move toward consolidated [illegible] sheets for world operations [illegible]sents the central bank's [illegible] keep a hold on dispersion of [illegible] mark.

'Vouchers'

This is the environment [illegible] development of the DM Eu[illegible] market. The EIB placement [illegible]don, like the earlier EIB pla[illegible] by auction through Deutsche [illegible]zentrale, shows that both bo[illegible] and managers are willing to [illegible]novative. The example last [illegible] of the "vouchers" issu[illegible] Dresdner Bank for floatin[illegible] term deposits shows that all [illegible]tions don't work. The Bunde[illegible] clamped down immediately [illegible]cause anything resembling [illegible]cates of deposit will facilit[illegible] serve function for the D-ma[illegible] anything resembling a floatin[illegible] note is a concession to the [illegible]mentality the Bundesbank [illegible] Dresdner backed down with[illegible] thing like a consent decre[illegible] didn't 'do anything wrong [illegible] won't do it again.

Marinus van Raymerswaele

There have been a few Changes in Banking since their Time - for instance, the Development of the Euromarket.

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n Era of Restraint, Efforts Looming to Halt Unbridled Growth

(Continued from Page 7S)

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perseverence of efforts by the major
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Freewheeling

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blend different approaches, clearly one problem about coordinated action is the fact that once begun, it will need to be continued.

Whatever method of control is chosen, once fixed the reserve requirements or capital ratios will, over the course of time, have to be adjusted as officials seek to ease or tighten international liquidity.

With so homogeneous a group as the Common Market unable to agree on the mechanisms to coordinate economic policy, there is some doubt about how the more disparate Group of Ten and Switzerland could hope to be able to agree on the timing and size of subsequent alterations in the degree of Euromarket control. Obviously, any initial step to limit growth would still be sufficiently large so as not to need early or frequent fine tuning.

"There will be restraints," a central banker asserted. "It's not possible that an increasingly large share of world business be done in a market outside of any controls."

Less Credit

While U.S. authorities have still not acted on New York's request to create an "international banking facility" that would duplicate the eased regulatory environment of the Euromarket, the Federal Reserve reportedly is advising other central banks that such a proposal could be approved if there is no agreement to control Euromarket growth. The Fed's reported thinking is that it would bring closer to home, where it is easier to monitor, the offshore banking operations of U.S. banks. Such a move would mean a loss of business elsewhere — notably London, where many U.S. banks have sited their offshore operations.

Some experts argue that regardless of whether growth limits are enacted or not, credit is likely to be less abundant in the 1980s than in the 1970s.

With so homogeneous a group as the Common Market unable to agree on the mechanisms to coordinate economic policy, there is some doubt about how the more disparate Group of Ten and Switzerland could hope to be able to agree on the timing and size of subsequent alterations in the degree of Euromarket control.

"I sense we are on the threshold of a new economic era," Lawrence Brainard, senior international economist for Bankers Trust Co., told a recent symposium on East-West cooperation.

"Most Western governments currently approach economic policy questions from the traditional perspective of the management of aggregate demand. The major problems facing the industrial countries in the next decade, however, are likely to be on the supply side, namely, limitations on growth due to tight energy supplies and insufficient capital formation.

"Efforts to boost growth under these conditions by means of fiscal stimulus will end up primarily pushing inflation up," he said. As a result, business investment "should be relatively weak." While this seemingly would contribute to the liquidity available to banks, "the proposed scenario would put strong pressures on the creditworthiness of many countries, particularly developing countries. As a result, most international banks would likely be very selective in country lending and some borrowers might be unable to secure needed funding for debt rollovers and trade deficit financing."

In addition, he said, "capital requirements for energy conservation and developing alternative energy supplies will be massive. . .and will attract a significant volume of capital from international markets."

Discussing the outlook for Eastern Europe, he estimated that Poland, running a trade deficit of $1.7 billion with the West, owed Western creditors $17.5 billion at the end of last year.

Poland is by far the most worrisome Eastern debtor with a debt about as big as the Soviet Union's but lacking Russia's vast natural resources and its Western trade surplus.

Rumors persist in Western banking circles that Poland is on the verge of seeking to reschedule its debt owed to official Western agencies and then trying to get private creditors to follow suit. The domestic economic situation is reported to be quite bleak.

Western machinery imports are said to be sitting uninstalled while import shortages of various kinds are resulting in idle capacity of machinery already plugged in.

Mr. Brainard puts total Eastern foreign liabilities at the end of last year at $68.7 billion. But the BIS puts the end-1978 figure at $47.5 billion while the UN Economic Commission for Europe puts it at $51 billion.

"In terms of gross national product this debt appears rather small, some 4 percent," the UN unit said, comparing favorably to the 7-to-28 percent ratios among developing countries.

"However, as a share of convertible currency earnings from exports of goods and services [$34 billion last year], which is the main determinant of the debt servicing capacity, the accumulated indebtedness is quite high, and indeed higher than that of the newly industrialized countries."

Export Earnings

The agency estimated Polish debt at $15 billion and its debt service ratio at a "relatively high. . .54 percent of exporting earnings."

Among the developing countries, the bulk of the debt remained concentrated in a handful of the most advanced nations.

Brazil is the most indebted with $33.855 billion outstanding at mid-year. However, it also had some $9.5 billion on deposit with the banks, reducing its net debt position to $24.4 billion.

Mexico showed a gross debt of $25.998 billion and deposits of $6.57 billion, while Venezuela owed a gross $14.84 billion offset by deposits of $9.3 billion.

South Korea was the biggest debtor in Asia, with gross debts of $8.6 billion and deposits of $2.5 billion; the Philippines was next, owing a gross $4.65 billion offset by deposits of $2.4 billion.

In Africa, Liberia owed a gross $6.4 billion and had deposits of $1.77 billion followed by Algeria with a gross debt of $6.35 billion and deposits of $2.28 billion.

The gross debt in these seven countries, just over $100 billion, is more than half the total $194.3 billion owed by all developing countries at mid-year. Bankers and market analysts remain convinced that the concentration of the banks' risk augurs well: those seven countries are well placed to repay their debt and the remainder is spread over a wide number of countries.

This is not to say that there is no concern about the debt burden of many countries or the exposure of some banks. A worldwide recession and a slowdown in the growth of world trade, much feared, could impact on the ability of the developing countries to earn the foreign currency to pay interest and principal.

While the margins banks have been charging on new loans are the lowest yet seen by most developing countries, the gross financing cost is enormous as a result of the record high base rate — just over 15 percent — which itself is a function of the very tight U.S. domestic money policy. A one-point rise in the interbank rate, for example, costs Brazil an estimated additional $500 million in debt service charges.

At the same time, pushed up by the rising cost of oil imports, the borrowing needs of the non-oil developing countries are rising. These countries will have run a current-account deficit this year of more than $43 billion — a record high and up from $31 billion last year. Next year, this shortfall is estimated at more than $50 billion — significantly increasing the likelihood that some countries are going to run into external financial difficulties.

Up to now, the developing countries have strongly resisted relying on finance supplied by the International Monetary Fund. Governments want to be free to run an economic policy independent of constraints that accompany all but preliminary IMF assistance.

The IMF itself has expanded its resources and is now prepared to lend for longer periods than in the past. There is even some suggestion that it is prepared to be less dogmatic in imposing its view on borrowing governments and more sensitive to domestic political realities than in the past.

Basic Problem

Fundamentally, the borrow-now-pay-later philosophy of most governments is beginning to catch up with them.

Exacerbating this basic problem, the credit rationing seen for the coming decade raises problems of how to decide who gets cut back when there is not enough money to go around. The simple answer is that funds will flow to the highest bidder, but it is questionable whether and to what extent Western governments will allow the developing countries to outbid Western companies or state agencies for scarce funds.

Credit inflation has obviated having to make any such hard choices to date. But the easy money era, experts warn, is drawing to an end.

nflation: Guide to Future

(Continued from Page 7S)

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en oil prices were pushed
ly higher in the late autumn of
and again following revolutionary turmoil in Iran in Dec. 1978, interest rates fell for six months on both occasions apart from an upward jiggle. At the same time, inflation as measured by the 12-month change in consumer prices continued upward. This provided a classic "bull trap" for investors who believed that interest rates had peaked.

Historical Highs

In both periods, authorities in the United States and other countries were trying to combat inflation with restrictive credit policies. However, there seems to have been an income effect related to oil-price increases that depressed interest rates temporarily. Accordingly, some economists and bond analysts reached the incorrect conclusion in late 1973 and early this year that interest rates had peaked because authorities were operating a countercyclical policy at the time.

Assuming that oil prices are again raised substantially next month, we may, again, see interest rates move down rather sharply, only to move up again after a few months.

However, the graph suggests that when interest rates are jacked up to historical highs, as in 1974 and this year, inflationary pressures do start to subside without a long delay.

According to the way the figures are plotted, interest rates peaked in the last cycle about four months before inflation rates turned down. Thus, while we should see a zig-zag in interest rates in the early part of new year, interest rates should move soon afterward into a downtrend that could carry fairly far. The assumption is that the large oil-price increase plus the major recession of 1974 is being repeated again in 1979-80.

It could be argued that there are better ways of plotting the figures. For instance, the chart compares the historic rate of inflation over the past 12 months with interest rates that apply for the following six months. Therefore, this does not take into account the market's expectations about inflation.

The point of the exercise, however, is to take a consistent set of data and see whether any consistent pattern emerges. This clearly occurs.

The message is that a bull market in dollar bonds is on its way but that one last bull trap may be lurking ahead.

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Euromarkets

Popularity of Floating-Rate Notes Given Boo

By William H. Steen

In the past, it was conventional investment wisdom that FRNs were mainly placed with banks and other sophisticated financial institutions. The private investor, it was believed, was only interested in straight Eurobonds, and besides, he often found FRNs too complicated. Events and high interest rates have overtaken this thinking and we now know that there is broad interest in FRNs from private investors.

LONDON (IHT) — Floating-rate notes have increased in popularity over the past several years because of their strong performance in providing the investor with a high interest rate and considerable protection from capital loss.

The essential feature of an FRN is that the coupon rate — rather than the market price — makes the adjustment to changes in the general level of interest rates. Consequently, when interest rates rise, FRN prices do not have to decline as fixed-rate bonds and notes do.

Currently, coupon rates for outstanding FRNs are being set at about 15 percent with market prices at 98 or better. In contrast, their fixed-rate counterparts are languishing at deep discounts in price on substantially lower coupon rates. The result has been a shutdown of the Eurodollar straight market and a resurgence of FRN financing.

In the past, it was conventional investment wisdom that FRNs were mainly placed with banks and other sophisticated financial institutions. The private investor, it was believed, was only interested in straight Eurobonds, and besides, he often found FRNs too complicated. Events and high interest rates have overtaken this thinking and we now know that there is broad interest in FRNs from private investors. Also, American institutions and private investors have taken the lead of the Euro-market in this area as witnessed by a number of FRN issues in the New York market.

Private Investors

What should the private investor consider when contemplating an investment in a FRN? First, he should satisfy himself on the credit of the issue. In the case of bank issues, he should select the credit of one of the leading international banks. Secondly, in a new issue, he would want to consider the management and structure of the underwriting syndicate to assure himself of proper terms, adequate placement and support of the issue in the primary and secondary market. Thirdly, the investor would want to consider the outlook for interest rates, the existing yield structure of the market and how FRNs will fare when interest rates turn down. Finally, he would want to consider the interest rate on the FRN in relationship to deposits.

Normally, he will receive a higher rate on his FRN plus the added feature of marketability. The secondary market in FRNs is highly developed and trades in larger volume than its Eurobond counterpart on competitive spreads between the bid and offer. While the FRN market makers are not as numerous as those in straight Eurobonds, they do number some of the most important international banks.

Some professional investment managers are doubtful about the performance of FRNs when interest rates start to fall, which is likely to occur sometime next year. At the moment, short-term interest rates are higher than long-term rates so that there is an incentive for investors to choose FRNs rather than long-term fixed-rate bonds.

However, when the yield curve develops its normal upward slope across the maturity range, it seems resonable to assume that FRNs will come under some pressure as certain investors switch into bond issues.

Others are of the opinion that FRNs will give a good account of themselves after an initial selloff and recover to modest discounts in line with past years. When interest rates are falling, professional traders can achieve a larger return by funding their positions with very short-term borrowing, which is rolled over. This somewhat speculative activity should give good support to the market when coupon rates are fixed.

Yield Curve

The principal risk factor for the investor in FRNs other than the credit risk he must satisfy, is getting caught in a normal interest rate environment, i.e. low short term rates and higher bond rates. Recently, we have had just the opposite of this with an inverted yield curve much to the benefit of FRNs. However, if we have a shift to a normal interest rate structure with lower short-term rates, FRN coupons would be set against London Interbank Rates well below those of the long-term bond market. At the same time, we would probably see bond interest rates fall, causing a rally in bond prices. For the FRN holder, this would be the worst of all worlds, unless he quickly disposed of his FRN holdings, as interest rates declined across the yield curve. It would be an opportunity lost in a strong bond market while at the same time his FRNs would be set at coupons lower at each successive period. This is a worst case situation for FRNs and not a certainty by any means.

More than likely, we will see a flattening of the yield curve or one of a more orthodox nature. Also, we believe most investors would continue to retain holdings in bond issues, thereby benefiting from a bond market rally while at the same time balancing their portfolio's with quality FRNs. We should not forget the savaging of bond prices over the past several years and the risk factors in the bond market. There is no certainty when interest rates will decline and while we wait, FRNs offer a conservative investment alternative in a growing market. In the longer term, the mechanism of adjusting the interest rate periodically to market conditions, should ensure the investor of a high degree of stability for his capital investment.

Formula

The main characteristics of floating-rate notes: —FRNs have a variable interest rate that is based on a formula that calls for an interest rate setting every 3 or 6 months at a spread, usually ¼ percent, over the London Interbank Rate, offered or middle. As a result, the investor receives a spread over LIBOR for the next interest period at the end of which the process is repeated until final maturity.

- FRNs are dollar denominated obligations with a fixed maturity, normally within a range of 5 to 15 years.
- FRNs are negotiable bearer securities issued in denom[illegible] of $1,000 with interest paid [illegible] withholding and other tax[illegible] coupons attached.
- FRNs are offered by [illegible]tional banking syndicates [illegible] listed on a major stock e[illegible] Also, an active over-the[illegible] trading market is maintain[illegible] number of professional [illegible] banks.
- FRNs normally have [illegible]mum rate for the life of the [illegible] below which the interest rate [illegible] not fall.
- Customarily FRNs are [illegible] unconditional obligations [illegible] pari passu amongst themselv[illegible] equally with all other unsec[illegible]ligations, including deposits; [illegible]ever, several banks have [illegible] FRNs on a subordinated [illegible] whereby the repayment obl[illegible] to noteholders is junior to the [illegible] of depositors.
- In theory, FRNs should [illegible]er any price discount and [illegible] par at the time of a new i[illegible] rate setting. This is because [illegible] makers can obtain an add[illegible] funding profit given the p[illegible] paid over the Interbank [illegible] rate. In practice, par is [illegible] reached and FRNs will cont[illegible] trade at a modest discount.

(Mr. Steen is an executive [illegible] of Chase Manhattan, Ltd.)

A Tale of Two Investors

The following is a market example showing the difference in p[illegible]formance between a fixed-rate and a floating-rate note issue [illegible] period when interest rates were rising. It is assumed that invest[illegible] bought 100 Commonwealth of Australia's fixed-rate notes De[illegible] 1977, and at the same time investor B bought 100 FRNs of si[illegible] maturity of the Bank of Tokyo. As can be seen, the FRNs not [illegible] provided protection against capital loss but a substantial imp[illegible]ment in income as well.

However, when interest rates are falling, the fixed-rate [illegible] should outperform the floating-rate note.

Investor A buys 100 commonwealth of Australia 8¼ due De[illegible] 1984. Date of purchase Dec. 1, 1977.

Cost	100	
Income		
June 1, 1978		$ 8,250
Dec. 1, 1978		8,250
June 1, 1979		8,250
Dec. 1, 1979		8,250
		$ 33,000
Market value Nov. 6, 1979	88	
Income to Dec. 1, 1979		33,000
Less loss market value		12,000
		$ 21,000

Investor B buys 100 Bank of Tokyo FRNs due Nov. 15, 1984. Da[illegible] of purchase Dec. 1, 1977.

Cost	99.50	
Income		
May 15, 1978		$ 7,812.50
Nov. 15, 1978		8,500.00
May 15, 1979		12,312.50
Nov. 15, 1979		11,500.00
		$ 40,125.00
Market value Nov. 6, 1979	99.50	
Total income to Nov. 15, 1979		$ 40,125.00
Loss/Gain market value		NIL
		$ 40,125.00

Investor B, who invested in a FRN, has come out ahead of Inv[illegible] A by a substantial amount.

INVESTOR	A	B
INCOME	$ 33,000	$ 40,125
MARKET VALUE GAIN/LOSS	($ 12,000)	NIL
MARKET VALUE PLUS INCOME	$ 21,000	$ 40,125

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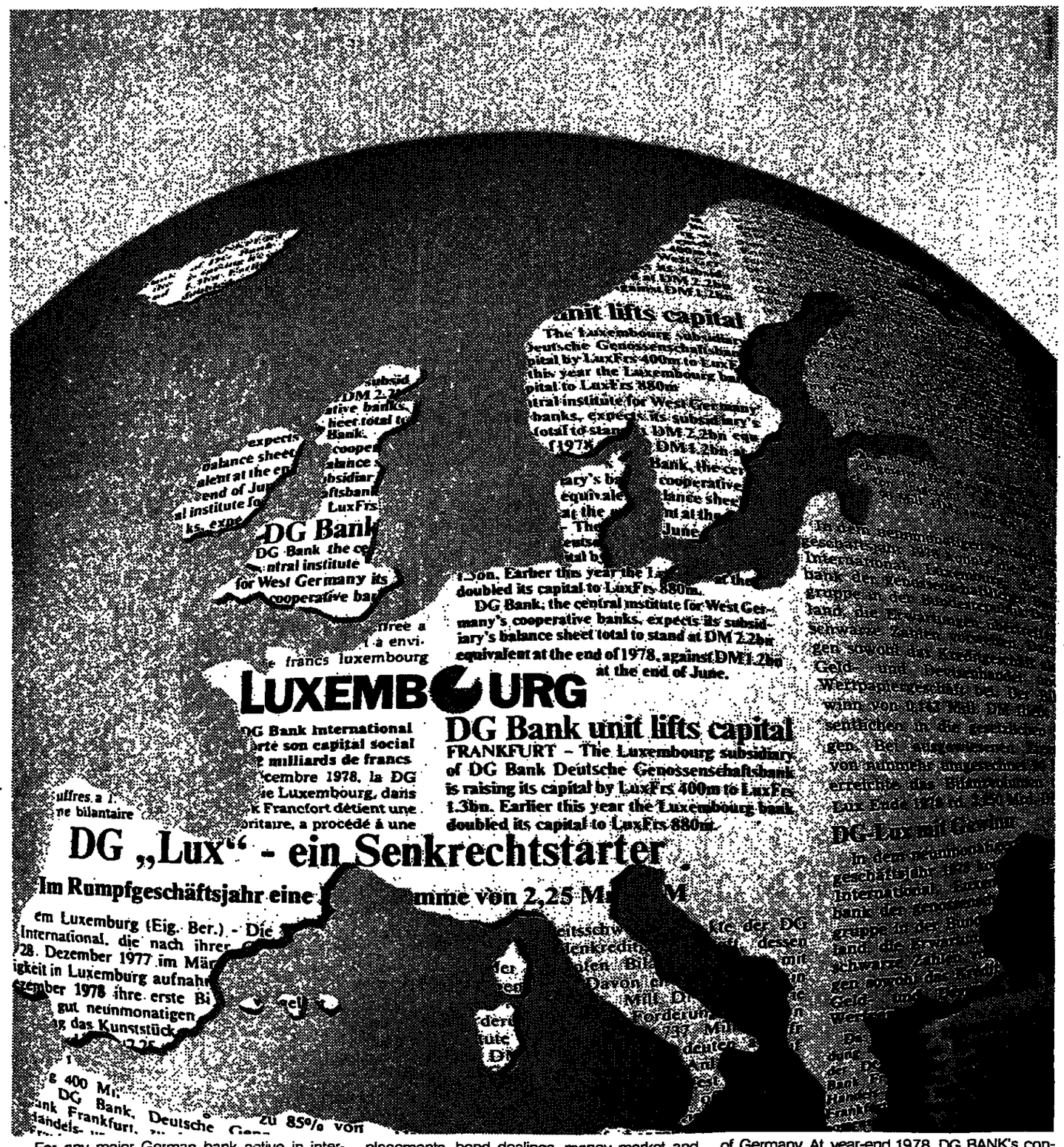

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Short-Term Rates Fall on Eurodollars

By Carl Gewirtz

PARIS, Nov. 25 (IHT) — Short-term Eurodollar rates tumbled last week, opening a so-called "window" in the capital market for floating-rate notes which a number of bankers are trying to get through. Deposit dealers had no convincing explanation for why short-term rates have come down as fast as they have other than to reason that mounting evidence of an emerging recession has convinced the market that rates have peaked.

This is certainly not a universally held view. Henry Kaufman, the respected economist at Salomon Brothers, was quoted last week as expecting short-term rates would rise 1 percent before peaking. Nevertheless, with the cost of overnight money in New York down to its 11 (12¼ percent) since the early October tightening of U.S. monetary policy, Eurodollar rates declined.

	Nov. 23	Nov. 19
1 Mo:	13 9/16	14 15/16
3 Mo:	14 3/4	15 1/4
6 Mo:	14 5/8	15
	Nov. 16	Nov. 9
1 Mo:	14 1/2	15
3 Mo:	15 5/16	15 3/4
6 Mo:	14 15/16	15 5/8

Officials at some major European banks reported experiencing a flood of liquidity and said they were offering large depositors rates below those generally quoted in an effort to discourage taking in more short-term funds. U.S. bankers said they had seen no such sudden increase in liquidity, leaving observers to conclude that deposits are being switched to non-U.S. banks in the wake of the U.S.-Iranian financial crisis.

At the same time, banks are eager to establish longer-term access to funds and offers to pay a premium over the interbank deposit at a time when quoted interbank itself may be difficult to get should attract new depositors.

Are a number of floating rate notes are expected this week.

● Barclays Overseas Investment Co., a unit of the U.K. clearing bank, is the only offering actually in the market. It is seeking $100 million for 10 years and is offering to pay a quarter-point over the six-month offered rate with a guarantee the rate will never be set below 5 percent.

The maturity is long for a market that has had trouble digesting most recent issues. However, the classic terms should compensate as there have been few top-named borrowers tapping this market which have not tried to shave costs by using the average of the bid-offered rate rather than the higher offered rate or by cutting the size of the premium.

● Banque de l'Union Europeenne, the private French bank belonging to the Empain group of companies, is tapping the market for $50 million. Interest on this 10-year paper will be set at a quarter-point over the three-month offered rate and guarantees never to be set below 5¼ percent.

At present, three-month rates, as are shown above, are a bit higher than the six-month rate. However, that is due to the inversion of the yield curve — where long-term rates are lower than short-term rates — due to restrictive monetary policy. Thus, from the borrower's point of view, the coupon tied to three-month funds could be expected to decline faster once the normal yield curve is established than a coupon tied to six-month funds.

The slightly more attractive minimum guarantee offered by BUE over Barclays is only optically significant. There is currently no analyst who has made his voice heard who believes short-term dollar rates will fall below 8 percent in the near future.

Syndicated Bank Loans

PARIS, Nov. 25 (IHT) — International bankers are loath to discuss how the syndicated loan market, which through the first 10 months of this year supplied $68.2 billion to borrowers around the world, will look after the U.S.-Iran financial dispute is settled.

But there is little doubt that there will be substantial change. "There is quite a bit of rethinking going on," says a loan officer of a major U.S. bank.

Among some of the obvious questions are the future of the smaller banks that have participated in loan syndicates and the role agent banks play protecting syndicate members. A major question that is likely to be answered in the courts is exactly who is responsible for the behavior of foreign branches of banks: the home authorities or the host officials.

The small banks are feeling very exposed and at the mercy of the big banks, a situation no doubt exacerbated by the current low reward-to-risk ratio with low margins and long maturities decreasing reward and raising risk.

"There are too many participants," says the head of U.S. merchant banking subsidiary in London. "Up to now, it's been a happy collective" with very low loan losses that clouded the real risk. He suggests that a "narrower market" of lenders would be welcome.

The move by Citibank, Chase and Bankers Trust to call due outstanding loans to Iran and use impounded deposits to offset these loans has irked many bankers. "It shows no regard for the customer [Iran] or the other members of the syndicate," says a London-based executive of a U.S. bank.

Significantly, Bank of America, Morgan Guaranty and Manufacturers Hanover Trust have not indicated that they have moved to call the loans and use official Iranian funds despoited with them to offset the debts.

The action by Chase is the most talked about because it happens to be agent on a number of outstanding loans to Iran. It is seen as having moved to protect its own interests and there appears to be some question how this squares with its role as agent, where it represents the banks to the borrower and vice versa.

What seems to have gone largely unnoticed before is the possible role in determining lending conditions played by the massive amounts of reserves deposited by sovereign borrowers with Euromarket banks.

According to the latest data compiled by the Bank for International

(Continued on Page 19, Col. 1)

● Allied Irish Bank is expected to offer $60 million of eight-year notes. It will offer a coupon set at a quarter-point over the six-month rate and a minimum guarantee of 5¼ percent.

● Multibanco Comermex of Mexico will offer $25 million of five-year notes with the coupon set at a quarter-point over the six-month offered rate and a minimum guarantee of 6½ percent.

● Union de Banques Arabes et Francaises, which will wait until BUE's issue has been completed, will come to market for $65 million, also for 10 years, offering classic conditions of a quarter-point over the six-month rate.

Except for the recent short-dated Citicorp rolling-rate notes, whose quarterly-paid coupon is adjusted every month to the three-month interbank rate, all other recent floating-rate paper is trading at rather sharp discounts from their par issue price. Citicorp is quoted at 99-99⅝, while Bergen Bank's 10-year notes are quoted at 96¾-97¼.

With so many "bargains" available in the secondary market, analysts question why investors would be tempted to buy the new issues

(Continued on Page 19, Col. 7)

Middle East Events Depress Week's Market

By Vartanig G. Vartan

NEW YORK, Nov. 25 (NYT) — The crisis in Iran and outbreaks of violence in the Middle East dominated the attention of investors last week. The Dow Jones industrial average slipped 3.93 points to 811.77. The Friday after Thanksgiving provided the week's only winning session.

Energy stocks continued to perform as the market's strongest sector, thanks to the uncertainty of foreign oil supplies and the resulting appeal of oil-and-gas companies operating in politically safe areas of the world.

A number of Wall Street's best-known stocks sold during the week at their lowest prices for a year or more. Among these were General Motors, Coca-Cola, Ford Motor, General Electric, Revlon and Procter & Gamble.

Meanwhile, the hospital management and medical services group, according to Indicator Digest, should see profits increase over the next two years at an annualized rate of about 25 percent.

"Aiding the industry," the advisory service stated, "is the increasing proportion of elderly people in the population, as well as cutbacks in municipal spending on health care."

Six Favorites

Picked by Indicator Digest as its six favorites in the groups are Community Psychiatric, Hospital Corporation of America, Humana Inc., Lifemark Corp., National Medical Enterprises and National Medical Care.

On the negative side, the Merrill Lynch Market Letter called attention to a number of stocks continuing "to show price and volume patterns that market technicians believe could lead to further near-term weakness."

Among stocks displaying weak technical patterns, the publication commented on the following:

● Anheuser-Busch — "Strain on capacity and other factors are creating cost pressures that will inhibit earnings in 1979 and 1980."

● Brunswick — "Recession is likely to curtail consumer demand for marine engine and bowling products, two key lines for this company."

● Burlington Industries — "Competitive pricing conditions and rising costs will keep profit margins under pressure, particularly in the textured woven goods and household furnishings areas."

● Communications Satellite — "Earnings are expected to be flat to down for the next two to three quarters because of a recent 15-percent cut in international rates and transfer of service to Puerto Rico to other companies."

● Easco — "Lower sales of hand tools to Sears, Roebuck plus increased capacity has adversely affected earnings. Increased shares outstanding also will limit share earnings."

● Kerr Glass — "Industry-wide pricing pressures due to inroads made by plastics in the soft drink industry are continuing to affect markets for company's glass containers."

● Lance — "Company is gradually rebuilding sales affected by sharp price increases last year, but earnings gains may not match excellent results in the past."

● Zenith Radio — "Company's color television business is being affected by cost inflation, highly competitive pricing and expected weakening in demand. A dividend cut is possible."

These remarks, of course, do not imply that the nation's biggest brokerage house has become disenchanted by the stock market. There are numerous issues that Merrill Lynch is willing to recommend.

A case in point is Gulf Oil, regarded by the firm as "one of the most attractive investment opportunities in the international oil group."

In the fixed-income market, securities continued to fetch lofty yields last week.

For a new issue of double-A-rated electric utility bonds, in fact, returns matched their historic highs. Underwriters sold 30-year bonds of the New Jersey-based Public Service Electric and Gas Company to yield 12 percent to investors. This marked a high for the current yield cycle and, in turn, matched the same record return in October, 1974, for a bond sale by the same utility.

In the current yield cycle, the return on new double-A utility issues moved as low as 7⅝ percent in January, 1977, before rates began their upward march.

Treasury Notes

The Treasury sold two-year notes last week at a yield of 12.24 percent. It represented the highest yield ever for this particular maturity, except for the two-year-note sale at a rate of 12.66 percent on Oct. 23.

Meanwhile, the government, like the average citizen, appears hungry for additional cash to satisfy its needs.

The weekly Treasury bill auction tomorrow, for example, will raise $500 million of new money. In recent weekly auctions of three-month and six-month bills, the Treasury had raised only $200 million in new cash.

On Tuesday, moreover, the Treasury will raise an additional $2.5 billion in new funds through the sale of 5½-year notes.

Commodities

By Sue Shellenbarger

CHICAGO, Nov. 25 (AP-DJ) — Sugar futures hit a record closing price Friday in New York on rumors of Soviet purchases. Reports that a West German sugar analyst, F.O. Licht, had issued a study citing problems with the Soviet sugar beet crop this year fueled talk that the Soviet harvest would be smaller than anticipated, experts said.

But there was no confirmation of the rumors that the Soviet Union, a secretive trader on world markets, was buying large amounts of sugar.

"There are no details available. At the moment, I would tend to view it as a rumor," said George Hirai, manager of the sugar department at Bache Halsey Stuart Shields. "As far as I knew right now, it's rumors," said Kim Badenhop, research manager at B.W. Dyer & Co., a New York firm of sugar brokers and analysts.

The rally began on London markets and New York traders followed through, carrying sugar futures 0.4 to 0.5 cent a pound higher to seasonal highs on the coffee, sugar and cocoa exchange. The March contract closed at 16.02 cents, its highest closing price ever. The contract has in the past traded as high as 16.15 a pound, however.

Adverse Weather

The Soviet Union's beet crop has been plagued by wet weather that has impaired harvesting and beet quality. Technical problems with harvest equipment have also been reported.

Mr. Hirai said that the fact that the harvest is under way makes large Soviet sugar imports seem unlikely. "Even if the crop is small, they've got sugar now," he said.

The Soviet Union is the world's leading sugar producer but also imports about 1.5 million tons annually, often from its Communist allies. Reports of troubles with the Cuban sugar crop, among other factors, have helped to

(Continued on Page 19, Col. 4)

Over-Counter Market

	Sales in 100s	High	Low	Last	Net Ch'ge
ChathAf .80	3	9¾	9¾	9¾	
Chattm .40	66	8⅝	7¾	7¾— ⅝	
ChkpSy	48	8½	7¾	8½+1	
CheezDv .10l	69	6	5¾	6 +. ¼	
ChmLwn	x192	25¼	.25	25¼	
ChmNucl .20b	97	18¼	17¾	18¼+ ½	
Chemed 1.80	x36	33	32¾	33	
ChmLea 1.20	111	39½	35	37 —2½	
Chmser .32	31	7¼	6⅝	7 + ⅛	
CheryEl .12	111	12	11¼	12 + ½	
ChiNwTr	126	14¾	13½	14¾+1¼	
ChildWld	77	2¾	2¾	2¾	
Chomer	193	26	23½	23¾—2¼	
Chubb 2.20	673	38¾	36⅝	36⅝—1⅞	
ChrDwr 1.60	4	28	28	28	
Chyron	164	5⅝	5¼	5⅝+ ⅝	
Cindys	224	2¼	2	2¼	
CinnFin 1.28b	82	29¾	29½	29½— ¼	
CirclInc 1.30e	51	12¼	12	12⅛+ ¼	
CitzSoCp 1.72	26	16	16	16	
CitzSoGa .06e	721	6⅛	6	6 — ⅛	
CitzFSL .72	17	25	24	25 +1	
CitzFid 1.40	29	24	23¾	23¾— ¼	
CitzUtA s	83	38¼	36¾	37¾+1	
CitzUtB 2.56	58	29	28¼	28¾+ ½	
ClyNtCp .80	22	27½	27	27 — ½	
ClarkJL 1.30	15	28½	28	28½	
ClevtRf .20e	248	6⅝	6⅜	6½— ⅛	
ClowCo .40	107	6⅝	6½	6¼— ⅛	
CstldFls	26	3⅝	2⅞	2⅞— ¼	
CobeLab	216	20	18¾	19 —1	
CocaCol .60a	135	13	12¾	13	
CocaMlo .60	134	13½	13½	13½	
CoeurDM	87	13⅝	13½	13¾	
Coherent	545	26	23¾	24½—1	
ColnBcp 1.80	23	17¼	17	17¼+ ¼	
Coll.Lac .48	236	15⅝	14¾	15½+ ¾	
ColrTte	301	35¼	34⅝	35¼+ ⅝	
ColNBsh 1.	44	18¼	18	18¼+ ¼	
Combins 1.40	947	18½	18¼	18½	
ComcstA .16	36	18¾	18½	18¾+ ¼	
Comdisc .24	608	11½	9½	10 —1	
ComBsh 1.60	6	26	26	26	
ComCIH .88	127	25⅝	25⅝	25⅝— ½	
ComSwf	180	3¾	3¾	3¾	
ComSw pf.75		9⅞	9⅞	9⅞	
ComShr .50a	67	18½	18½	18½	
CwBkPa 2.16	6	30	30	30 — ½	
CwlNRs 1.88	5	21¾	21½	21¾	
CmwTel 1.30	23	16½	16	16 — ½	
Comnind .52	22	20½	19¾	20½+ ¼	
CmpctVS	139	6⅞	6¾	6⅞	
CpctVS wt	169	2¼	2⅛	2¼+ ⅛	
CpctVS un	22	9	9	9	
CoBoliv g.36e	2	2¼	2¼	2¼	
CompcrS	1193	3-16	3-16	3-16	
CompCr .16	215	14	12¾	13⅛+ ⅜	
Compus	328	6⅝	6	6⅛+ ⅛	
CCTC	438	9⅞	9¼	9⅛— ⅜	
CmptAut .20	351	9¼	8¾	9	
Comosv	145	14	13¾	13¾—1¼	
CmpCm	1619	5	4⅝	5 + ⅜	
CmpCon	155	15¾	14¾	15¾+ ⅜	
CmpDev	325	6⅝	6	6⅜+ ¼	
CmptNet	276	5⅛	4¾	5⅛+ ⅛	
CmptPds	87	7⅝	7¼	7⅜— ⅛	
Comshre	193	17	16¼	17 + ¾	
Comtech	230	7½	7¼	7½+ ¼	
Conair	148	5½	5¼	5½+ ¼	
Concept .06b	136	5¼	4⅞	5⅛+ ¼	
ConnEnr 2.40	35	22½	21¾	21¾— ¾	
ConNBk 1.60	6	17	17	17	
ConsCapR 2.28	37	29	28	29 + ½	
ConFibr	647	3¾	3½	3⅝	
ConPap 3.60	260	55¾	53¾	55¾+2	
ConTom .40e	9	24	22½	24 +1½	
ConsDst p.63e	6	8¼	8	8 — ¼	
Contexl	134	3¼	2¾	3 — ¼	
CntAL&F 1.32	5	35½	35¼	35½	
CntlBNor 1.84b	85	23¾	23¾	23¾	
CntCurv	255	23¾	22⅝	23¼— ¼	
CrtLasr	55	12	11½	11½— ½	
Convwed 1	26	19¾	19¼	19¼— ½	
Coors B.25	1453	13½	12¼	12½—1	
Cordis	325	20¾	20	20¾+ ¾	
Courier .60	61	10½	10¼	10½+ ¼	
CousnPr	238	8⅝	8⅜	8¾	
CovnstBT	1305	3	2¾	2¾	
CradTer .76	104	10½	9¾	10¼+ ½	
CromExp	2424	¼	¼	¼	
CrowRd .65a	109	21	20¾	20¾— ¼	
CrayRes	1463	46	42½	45 +2½	
CradoPt	1189	11-32	5-16	5-16—1-32	
Cronus	86	6	6	6	
CrosTre .80	722	25¼	25	25⅛	
Crowley s	3	3⅜	3¾	3¾— ⅛	
CrmFpf2.40	2	153	150	150	
CrumpE .28	111	9⅛	8⅞	9⅛+ ¼	
CullenFr 1	25	25½	25	25 — ½	
Cullinan	176	.26	.23¼	.25¼+2½	
Cullum 1b	113	18	18	18 + ¼	
Cyclitron	85	11	10¾	11	
DSICp	86	4	3¾	3¾— ¼	
DalcoPh	68	3¾	3⅝	3¾	
DanknLs	147	5¾	5¼	5½— ¼	
DanlyM 1.80	123	24	20½	23½+3	
DartDg .13	73	8	7¾	8 + ⅛	
DataCrd .20	575	19½	18¾	19⅛+ ⅜	
DtaDes .32	211	11¾	10⅝	10⅝— ½	
DtaDim	69	1½	1¾	1½+ ⅛	
Datarm s	107	26	23	26 +3	
Datascp	128	12¼	11½	11¾— ¼	
Datum	45	2⅛	2¼	2⅛	
Dauphin 2.40	14	32	32	32	
DavidDsh	429	1⅝	1⅜	1½— ⅛	
DavdMn g	278 2 13-16		2⅜	2⅝+1-16	
DavlMod 1a	45	19	18	18 —1	
DBeer .63e	3295	7½	7⅜	7⅜+1-16	
DeanFd .80	43	16¾	16¼	16¾+ ½	
DecisDat	327	2⅞	2⅞	2⅞	
DecisSys	116	2¼	2⅛	2¼— ⅛	
DeklbAg .72	1499	25¾	25	25¾+ ¾	
Del-Val 1.44	21	9½	9½	9½	
Deltak	71	5½	5¼	5¼	
DeLuxC 1.32	676	33	32	32½	
Denelcor	349	3¾	3½	3½— ¼	
DenisM g1.40	114	29	26½	29 +2½	
DenvRE 1	87	18¾	18½	18¾+ ¼	
DepndInd .05e	188	6¾	6⅝	6⅝	
DetrexC 1.40	28	26	26	26	
DetBkC 1.80	19	24¼	24	24 — ¼	
DiagPad	245	19½	18	18 —1	
DiaCrys 1.20	45	29	28½	28½— ½	
DirchEx	414	17-32	½	½—1-32	
DimrBel .64	52	13	12¾	12¾	
DiscNY 2.90e	10	46½	46	46	
DiscOil	716	2¼	2 1-16	2⅛	
DixnCru 1.28a	23	39½	37½	37½—2	
Docutel	208	6¼	6⅛	6¼+ ⅛	
DolRes	510	7-16	⅜	7-16+1-16	
DollrGn .28b	385	10	8¾	10 +1¼	

(Continued on Page 16)

COMMODITIES
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November 14, 1979

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(Continued From Page 15)

	Sales in 100s	High	Low	Last	Net Chge
DomBsh 1	86	13¾	13½	13¾	+ ¼
DonIdsn .60	x115	19¼	19	19	— ¼
DayIDB 1.28	187	19¾	19	19	— ¾
DrexIrT	266	11½	10½	11½	+ ¾
DrumFn .28	1347	7⅞	7½	7⅞	
DualLife .32	56	9⅝	8¾	8⅝	— ⅛
DuckAlc	6	10¼	10¼	10¼	
Ducomm .50	18	17	16¾	16¾	— ¼
DunesHt .25)	11	15	14½	14½	
DunkinD .30	237	11⅛	10½	10⅝	— ½
DurhLife 1.80	x34	43¾	42¾	42¾	— ¾
Durlron .60	131	15¾	14¾	14¾	— ¼
DurrFill .26	77	11	10⅝	11	+ ⅜
DycoPet	743	23¾	20	23¾	+3½
Dynascn s	137	3¼	3	3	— ¼
Dynatch	277	18¼	16	17¼	—1
EHint	126	3½	3	3	— ½
EIP .14r	36	2½	2½	2½	
ERCCp 1.20	983	70¼	69	69½	— ½
EarlyCal	405	8½	7¾	7¾	— ⅜
EarthSci	57	3⅜	3⅜	3⅜	
EsDrlef 1.24e	1371	17⅝	15⅝	17	+1¼
Eastmet .50	142	11	10¾	10¾	— ¼
Eastovr	50	12¼	12	12¼	
EconLab 1.04	634	23⅛	22⅝	23⅛	+ ⅛
Edwslnd	37	15½	15	15⅛	+ ½
ElPasEl 1.10	x751	9⅝	9⅛	9⅝	— ⅛
EleCath	6	8¼	8½	8½	— ¼
EleNucl	316	9¼	7½	7⅞	— ⅜
ElecsnGp	63	5⅝	5¼	5⅝	— ¼
Emhrt wt	97	12	11	11½	+ ½
Emons .16	334	11¼	10¾	11	+ ½
Emons pf1.19	12	12¾	12¼	12¼	— ¼
EmsCrwn	133	3¼	3⅛	3¼	+ ⅛
EmerBk	2	16	16	16	
EmpBnf 1e	635	20¼	18¼	20¼	+2
EmsCas 1.20b	55	38	38	38	
EnrDev	222	8¾	8¼	8½	— ¼
EnrMin	559	7⅛	6⅞	7	
EnRsv	7070	7 15-16	7⅝	7⅝	+ ⅛
EnrSrcs	100	5	4¾	5	+ ¼
EnrVent	55	15	14½	14½	— ½
Envrdn h	217	2½	2¼	2¼	— ¼
Epsco	103	11⅞	11¼	11½	— ¼
EqtBcp .76	37	15	14½	14¾	— ¼
EqtInv 1.32	36	23	22½	22½	— ½
EquitSL 1	411	24½	23¾	23¾	— ⅛
EqtOil .70	249	49¼	47	49	+1½
ErbLmb	113	8	7¾	7¾	
EthanAl .80	89	45¼	45¼	45¼	
EvSuth	31	40	34	40	+6
EwrstJ .40	12	18	17	18	+ ½
ExcelEn	1168	5½	4⅝	5½	+11-16
ExchBcp .60	41	9¼	9¼	9⅛	— ⅛
ExecHsh	57	⅞	⅞	⅞	
FairLne .32	116	7	7	7	
FairItLd .16	28	10⅛	10½	10⅛	
FalcMnpb	156	55¾	53½	54	—1
Falstaff	594	3	2 13-16	3	+ ⅛
Farlnon .08	2142	22	19¼	21	+1¼
FarmFd 5	296	5½	5⅜	5½	+ ⅛
FarmBr .60	37	17¼	16½	17¼	+ ¾
FarmGp .84	1128	26	25⅝	25⅝	
FdScrw .72a	38	12½	12½	12½	
FedIPP .95e	x97	7⅝	7½	7½	— ⅛
Fidlcor .06e	343	11¼	11⅛	11⅛	
FifeCp .16	87	10	9¼	9¼	— ¾
FifthTh 2.30	7	40¼	40	40	— ¼
FnSecGp .52	22	12⅝	12¾	12¾	
Flmlgn	73	12½	11½	12½	+1
FstMerc 1.60	9	19¾	19½	19¾	+ ¼
FtAlaBk 1.32b	64	19¼	19	19	— ¼
FtAmBk 1.20	24	14	14	14	
FtAFin .50	182	24¼	22¼	22¼	— ¾
FtATenn .64	64	9⅝	9½	9⅝	
FtArkBk .50b	79	11½	11¼	11¼	
FtArtist	64	3¼	2⅞	3¼	+ ⅜
FtAtlnta .88	194	11¼	11	11	— ¼
FtBnAla .84	48	14	13¼	14	+ ½
FtBshFla .28e	42	9¼	8¾	9¼	+ ½
FtBkSys 2.84	421	37	36½	36½	— ½
FtBkrFl .92	11	12⅝	12⅝	12⅝	
FtBkSC 1.20	21	17¼	17	17	— ¼
FtBostn .50e	251	16¼	15¼	16	— ¼
FtCapfl 1.85	21	30	30	30	
FtCorInv	48	6½	6¼	6½	— ¼
FtColny .76	8	21½	21	21½	+ ½
FtConn 1.52	10	21	20¼	20¼	— ¼
FtCntRE 1.16e	57	7½	7¼	7¼	— ⅛
FtDenvr	119	2⅝	2⅝	2⅝	— ⅛
FtEmpS .20e	138	10⅞	10	10⅞	+ ⅜
FtExec s	454	12⅝	12⅝	12½	— ⅜
FtExe pf.50	207	28¼	27½	28	— ¾
FtFrwst .25	40	9⅝	9	9⅛	+ ⅛
FtFloBks .26	1050	4⅝	4⅜	4⅝	— ⅛
FtHawai 2.12	48	23¾	23½	23½	— ½
FtJerNt 1.40	118	13½	11¼	13½	+2
FtKyNt 1.88	55	29¾	29	29½	+ ½
FtLncFn	169	10	9½	9¾	
FtMorIn .36	263	6¾	5¾	6¾	+1
FtMdBn 1.40	63	21¾	21½	21¾	+ ¼
FtMemph	32	4½	4⅜	4½	— ¼
FstMtg	333	1⅛	1 1-16	1⅛	+1-16
FtNBcp 1.08	788	16	16	16	
FtNtNJ 1.60	37	18	17¼	18	+ ¾
FtNtCht 1.64	4	27½	27¼	27¼	— ¼
FtNtCln 2	36	25¼	25	25¼	
FtNtSup .02e	58	4⅝	4¼	4½	— ½
FtNMSk .84	5	16	16	16	
FtNewpt	78	2½	2¼	2⅜	
FtOklBn .30	41	17¼	17	17	— ¼
FtRBKGa .48	59	7⅝	7⅝	7⅝	— ¼
FtSLAsc .60	9	17½	17½	17½	
FtSecCp .86	264	19½	18¾	19⅛	+ ⅛
FtTenNt .72	141	11¼	10¾	10¾	— ½
FtUnBcp 2.20	44	27	27	27	
FtUnCp .96	139	14	13½	13½	— ½
FtUtdBc 1.24	44	23½	22½	23½	+1
FtWnFin	350	4½	4¼	4¼	— ¼
FtWisMt	123	7⅛	6¾	6¾	— ⅜
Frslbncp 1.40b	29	25	24½	25	-
FveStrEn	1419	17-32	17-32	17-32	-
FlaBks .60	422	11⅝	11	11⅝	+ ⅛
Flamen	309	7	5¼	7	+1¾
Flexsti .68	45	9	8¾	9	+ ¼
Flicker .60b	37	12	11⅞	12	
FloalPrt	94	10	9¾	9¾	
Florobx	84	2⅜	2½	2½	— ½
FloCyar .20e	145	3¾	3⅜	3⅜	
FloGlf 1.28e	129	16	14¾	16	+1¼
FloNFlx .60	69	13⅝	13⅜	13⅜	— ⅛
Fluroch .20	34	13	12¾	12¾	— ¼
FdTown .13	55	20¾	20¼	20¼	— ½
FthillGp .36	117	12¼	12	12¼	+ ¼
ForeAm .40	197	14½	14¼	14⅜	
ForestO .80a	x1112	24⅝	23¼	24⅝	+1
FrankEl .48	77	15	13¾	15	+1¼
FrasrAlt 1.12e	42	9½	9¼	9½	
FredHer .24	34	7⅛	7⅛	7⅛	
FreeSG 4.21e	756	34⅝	33½	34¾	+1⅜
FremtEn	96	2	1 15-16	2	+1-16
Fremont .50	258	19¼	18¾	19⅛	
FresSrc	118	18½	10¼	10½	
FrnfSvg	39	5½	5½	5½	
FroznFd .36	x16	9¼	9¼	9¼	
FullPh .29e	4	22¼	22⅛	22½	— ¼
FullrHB .36	313	10⅞	10½	10½	— ⅜
FultnNt .60	70	12½	12½	12½	
Funtime .20	11	6	5¾	6	
FurrCof .50b	130	17¼	17	17	— ¼
GEICO .40	1470	12¾	11⅝	11⅝	— ¼
GEICO pf.74	183	24⅛	23¼	23⅜	— ½
GalaxyO	2793	11¼	10⅝	10⅞	— ½
Gizxy wt	540	3 5-16	3 1-16	3 1-16	— ⅛
Gamex	524	8½	7¾	7⅞	— ⅜
GarSfBk 1.25b	2	35	30	30	—10
GatwSpt	301	3⅜	3½	3½	— ⅛
GnAutm	512	14⅝	13¼	13⅝	—1
GAutPfg .96	37	30½	30	30	— ½
GnBind .16	41	11¼	11	11	— ¼
GnData	213	17	15½	17	+1½
GnDevcs	82	2¾	2⅝	2¾	+ ⅛
GnEngy .10	1016	15¼	14⅝	15⅜	+1¼
GnHelth	460	16½	15⅝	16½	+1½
GnHydro	736	1¼	1⅛	1¼	+1-16
GnReins 2	750	93	92	92	—1
GnSemic .16	197	10½	10⅛	10⅛	+ ⅜
GnShale 1a	63	14	13½	13¾	+ ¼
GenRad .12	283	39	34¾	37¼	—2
Geores	92	4¼	4¼	4½	— ¼
GeoWash .85e	114	3¾	3¾	3¾	— ¼
GilbrtA 1.60	231	18	17¼	17½	— ½
Gilford .34	254	11	9	11	— ½
Girard 1.88	226	23¼	23	23¼	+ ¼
GlobelF .40b	1449	27¾	25¼	27	+1⅜
Godfrey 1b	18	19½	19	19⅛	+ ⅛
GoldFld 2.27e	289	53¾	52¾	53½	+2
GoldMed s	2	5⅝	5⅝	5⅝	
GoldCyc	128	4½	4	4	— ¼
GldSfFd .20	56	14½	14	14	— ½
GouldsP .92	129	21¼	21	21	— ¼
GovEFn .70	38	10½	9½	9½	—1
GvtELF .44	8	13⅝	13⅝	13⅝	
GovISL .48	15	6¼	6¼	6¼	
Graco .88	113	18	18	18	
Grantre .24	325	6⅝	6½	6½	— ⅛
GraScan	367	15¾	14½	15¾	+ ½
GrayCS .30a	x23	29	29	29	
GriNatl	148	9⅝	9⅝	9⅝	+ ⅛
GrBayCs	123	19	18¼	18½	
GfSwfIn	17	2	2	2	
GtJerBn 1b	9	11¾	11⅝	11¾	+ ⅜
GreenM 1.32	45	11⅝	11¼	11¼	— ⅜
GrmedRs	69	1	1	1	
GreyAdv 1.40a	4	38	38	38	
GuarBks	150	6¾	6¼	6½	— ¼
GuarFin .60	66	17¾	16	17¾	+1¾
GuarNat .50	138	16½	15¾	16¼	
GuardCh	29	3	3	3	
GtFEnay .20	475	3¼	2⅝	3¼	+5
HachCh .20		10¾	10¾	10¾	
HahnEW .40	469	55	54	55	+1
Hadson	243	19	18¾	19	+ ⅜
Haemon	250	19⅝	18½	19⅝	+1⅜
HamlPts	481	37	32½	37	+3½
HamlP pf1.95	33	17	16¾	17	+ ¼
HamlDs s	21	4	3⅝	3⅝	— ¼
HamlInv	166	3	2⅝	2⅝	
Hanvins .52	76	31	30½	30⅝	— ⅜
Harlen s .48	200	16	15½	16	+ ½
HrpRow .72	38	18⅝	18⅛	18⅝	
HarpGp .20	197	26½	26¼	26½	+ ¼
HartNt 1.40	50	14¾	14¼	14¾	— ¼
HrtStm 2	38	27¾	27	27¾	+1½
Harwyn	287	10⅛	9½	9½	— ¼
HawaBn .88	13	14	13⅝	13⅝	— ⅛
HawkBr .72b	64	18⅝	18⅝	18⅝	
HawthF .80	91	18¼	18	18¼	
HazlTL b .15e	225	11	10¾	10⅞	+ ⅛
Hechngr .12b	37	13⅝	13⅝	13⅝	
HelstCH .12	37	7⅜	7⅜	7½	— ¼
HelixTec	73	6¾	6½	6½	— ⅜
Hemstc	119	2	1⅞	2	+ ⅛
HemdPt un	454	1 13-16	1¾	1 13-16	+1-16
HenrdF .80	25	25	25	25	
HerlBn 1.20	64	14	13⅝	13⅝	
HerlCm	343	8	7⅝	8	+ ⅜
Hexcel .52	170	21½	20¾	21½	+ ¾
HiberSF 1.20	32	21½	21½	21½	
HiberCp 1b	6	17½	17½	17½	
HickFar .44	94	11⅝	11¼	11⅝	+ ⅜
HickFrn .12e	34	6¾	6¾	6¾	
Hiebee .371	65	8½	7¾	8	— ½
Hillhvn .52	7	23½	23½	23½	
HinesLm 1	2	18½	18¼	18¼	— ¼
Hitachi .99e	67	40½	39½	39⅝	— ⅜
HoeCo .12b	18	3⅜	3⅜	3⅜	
HllwdPk 1.20	35	23½	23	23	— ½
HmeBan .56	11	18¾	18¼	18¾	
HmstdF	94	7¼	7¼	7¼	
Honlnd .48	96	15½	15	15½	+ ¼
HookDrg 1.28	74	13¾	12¾	13¼	— ¼
Hoover .92	983	12⅝	11⅝	12	— ⅜
HorizBn 1.20	62	12¼	12	12¼	+ ¼
HospTr 2.12	6	20½	20	20½	+ ½
HughSup .24	220	15½	14⅝	15	— ½
HuntMf .50	12	17½	17½	17½	
HnlnBs 1.76b	60	28¼	26¼	28	+1¾
Hyatlnt	47	17	17	17	
Hyster 2	123	39⅝	39	39⅝	+ ⅜
IMSInt .25	1815	31¾	30½	31¾	+1¼
IdahoFn 1	34	23¾	23	23	— ¼
IdleWld .80	30	16½	15½	16½	+1
Impell .40	39	25¼	24¼	25¼	+1
IndSaS 1.68a	69	15⅝	15⅝	15⅝	+ ¼
IndpBsh .60b	71	17½	17	17	— ¼
Ind.fAc 1.16	294	17	16⅝	16⅝	— ⅛
IndnaNt .40a	151	9⅝	9½	9⅝	— ⅛
IdplWd 2.12	33	19⅝	19¼	19¼	
IndElHr	56	3⅝	3¾	3¾	— ⅛
IndValB 2.20	123	20¼	19½	19½	— ¾
vlInforx	1842	2¼	1½	1¾	
Infmatcs	114	10¾	10	10	— ¾
InfDisIgh	183	2½	2¼	2½	+ ¼
InfoInt 1.16	57	9	8½	8¾	— ¼
Infotn	110	2⅝	2¼	2⅝	+ ⅛
InstLab .16	153	14¼	13½	13¾	— ½
IntheEnt .05e	120	1	1	1	
InteCp	3492	69¼	67	69¼	+1¾
IntlsRs .20	8	14½	14½	14½	
IntRglFn .30	45	7½	7¼	7½	+ ¼
Intercole s	55	10¾	10	10½	+ ½
IntrCnr s	115	4¾	4½	4¾	
IntrcLe .10e	14	5	5	5	
IntlcMec	176	7½	7⅛	7⅛	— ½
Interfnl 1.20	296	28½	27¼	27¼	— ¼
Intrmed	483	16⅝	16¼	16¼	— ⅜
IntmGa 1.40	148	12	11⅝	12	+ ¼
InBkWsh .36	x70	8½	8⅜	8½	+ ½
InBkWsA .36	x406	7½	7⅜	7½	+ ½
IntDairy	89	4½	4⅜	4½	+ ⅛
IntKingT .06	99	3½	3½	3½	
IntResh .32	66	10	9½	10	+ ¼
IntRoyO .01e	262 2	15-16	2½	2⅝	+ ⅜
IntShphd	230	4½	4⅜	4⅜	— ½
IntTecR	166	2¼	1¾	1¾	— ⅜

Over-Counter Market

	Sales in 100s	High	Low	Last	Net Chge
InfrPip g1.40a	10	14⅛	14	14⅛	+ ⅛
InfrsciSv	81	11⅛	11	11	
Intersil .24e	x3301	28⅝	26¼	28⅝	+2⅛
Intext	1	12¾	12¾	12¾	
IowSaUt 2.28	15	22¾	22⅝	22⅝	— ⅛
IrlndRst	12	1⅜	1⅜	1⅜	
IsrlInv 1.10	8	26	25½	25½	— ½
IveyJB .76	71	14	14	14	
JLGInd .52	99	22½	21¼	22	+ ¾
JamWPt h	66	5¼	5¼	5¼	— ½
JameRiv .40	348	18¼	17¾	18¼	+ ¼
Jamsby .50	51	15½	15¼	15¼	— ¼
JanAir 1.55r		99	98	98¼	+ ½
Jaytex	1074	5½	3½	3⅝	—1¼
Jeffersn .24	20	21½	21½	21½	
JeffNLI .52	117	35	34	34	—1
Jerrico .10	655	17	16⅝	17	+ ½
Jhlrmck s	123	12¾	11½	11½	—1¼
Jhlrmk wt	85	5¼	3¾	4	—1¼
Josephn .60	50	14½	13½	13½	—1
JostynM 1.28	x94	14¼	14	14	— ¼
Justin .60	117	14¾	14¼	14¼	— ½
KDI Cp	288	7⅜	7 9-16	7 9-16	—1-16
KMSInd	446	2¼	2⅛	2¼	—1¼
KRMPat	536	6¼	6¼	6¼	+ ⅜
Kamon .80	72	18½	17¾	18½	+ ¾
KmpAm .32	237	11½	8⅝	10¾	+1⅜
KnCtyLf 2	25	55	54	55	+1
KnSMtw .40	73	27¾	27	27¼	— ¼
Kavex .05e	149	15¾	15	15¼	— ¼
Kebo	917	2⅛	2⅛	2⅛	— ¼
KellySv 1.20	94	33½	32¼	33¼	+1
Kemper 1.60	171	34¼	33¾	33¾	— ½
KenilRes	232	9¼	8¾	9¼	+ ¼
Kenostn	18	9¼	9½	9½	
KentMre 1	24	19¾	19⅝	19¾	
Keyton	22	22	20¾	22	+1
KyCenLf .50	115	14¼	13⅝	14¼	
Kettring	39	4½	4	4	— ½
Keuffel .80	36	15¾	15	15	— ¾
Kevex	386	24¼	21¼	23¾	+2½
KeyBnks 1.20	198	12	11¾	12	+ ⅜
KeyData	26	3½	3½	3½	
KeystFd .20b	237	12¼	11½	12¼	+ ¾
Kimball .80	95	15⅛	15¼	15⅛	
KindCre .08	166	9	8¾	8¾	— ¼
Kinslnt	67	7½	7¼	7¼	
KloofG 1.08e	822	28¼	19	19¾	+1
KnapeVl 1a	49	15	14½	14½	— ¼
Knudsn .68b	112	14⅛	13½	14⅛	+ ⅜
KoperPr 1.10	287	20¾	20¼	20¾	
Kroehs	535	13¾	12¾	13¾	— ½
Kroyln d .24	x35	30½	27	28	+1
Krueger .60	123	9½	9	9	— ¼
Kulicke .07t	1859	21½	19	21½	+2½
KyotoCe .18r	21	27¼	26¼	26¼	— ½
LDBCp	320	3	2⅝	3	+ ¼
LaZBoy .72	92	9	8¾	9	
Lacsnga g	93	5⅜	5⅜	5⅜	+ ¼
Laclede	218	8¼	8½	8¼	
LkwdBk .44	7	13½	13½	13½	
LamaTwy .20	79	7	6⅝	7	
Lancast .72	137	13½	12	12	—1½
Lancoln 1.04	514	19¼	18½	18½	— ½
LandRes	41	2¼	2⅛	2⅛	
LndBkFld .44	139	6⅝	6½	6½	— ½
LaneCo .92b	x38	22¾	22½	22¾	+ ¼
Lawson .36	106	23½	22	23½	+1½
LearPet .12	941	34¼	30⅝	33	— ¼
Lesco	27	26½	26	26	
LetsDyn .20	81	4¼	4¼	4¼	
LevinCpt .10e	24	5⅞	5¾	5⅞	— ¼
LevisR .28b	36	10¼	10	10	— ¾
LibtyHo .20e	77	5	4⅝	4⅝	— ¼
LibNtL f 1.20	826	23¾	22¾	22¾	
Lifnvs .20	2420	20⅛	18¼	18⅛	— ⅜
Lifesvr	29	9½	9	9	— ¼
LifeColnm	71	⅞	¾	¾	
LidStor .08	237	5	4¾	5	+ ¼
LinBcst	117	48	47	48	+1
Linc Ist 2	79	21	21	21	
Lnlnst pf1.05	23	10½	10¼	10¼	— ¼
LincLfe .40a	12	17½	17½	17½	
LincTY 1.32	59	19	18½	18⅝	
Lindbrg .60	43	11¼	11	11¼	+ ⅛
LionCSf	243	⅝	½	½	—1-16
LjdAr h1.40	12	24½	24¼	24½	
LjdTrn .60	19	14¼	14	14¼	+ ¼
Logstrn .20e	46	12	11¾	11¾	— ¼
LongFib 12	9 380	335	340	+30	
LoOffEx	402	11⅞	10⅝	11¾	+ ⅜
LowesCo .50	591	18	17¾	18	+ ¼
LuriaS	52	4½	4⅜	4½	
MYMfg 1.60a	48	12	11½	12	+ ⅛
MCIC	2687	5 9-16	5⅜	5⅜	— ⅛
MCI wt	510	3⅜	3⅜	3⅜	— ¼
MCI pf2.64	215	32½	30¾	30¾	—1½
MCI pf1.80	424	13⅝	13⅝	13⅝	
MCMCp .14	236	8¼	7⅞	8¼	+ ⅜
MFYInd .20	116	4⅝	4⅜	4⅜	—1⅛
MGFOil .10r	3015	19⅝	15⅞	19⅝	+4
MSIDat .40b	x185	7⅝	7¼	7⅝	— ⅛
MTSSy .30	54	28	27	27¼	+ ¾
McDmld .80	77	17	17	17	
MacBlar g1.40a	46	18½	17½	18½	+ ¼
MadGE 1.48	113	13¾	13⅝	13¾	+ ⅛
MagnaE	190	5⅝	5⅝	5⅝	— ¼
MagenP	437	16⅝	16	16¼	— ½
MagnCt	197	22	21	22	+1
MajrRt	2381	2¼	1⅝	1⅝	+ ½
Makita .21r	1	20⅝	20	20⅝	+ ¼
Malkrt 1.20	375	31¾	31	31	
Manitw .60a	142	18	17½	18	+ ½
ManMar	250	4½	4¼	4½	— ¼
MFBkLA .50b	56	19⅝	18¼	19⅝	— ⅛
MrsNat 2.20	x179	24½	24	24	— ½
MrsData .28	234	31¼	30	30¾	+ ¾
MarInCp 1.68	33	27	27	27	
MarNut	158	1-16	1-16	1-16	
MarPet 2.22e	6	34½	33	34½	+1
Marion .20e	1130	27¾	25	27½	+2½
MarkPd	535	9⅝	8¾	9	— ⅛
MarshSu .32	54	4⅝	4⅝	4⅝	
Marshll 1.54	37	21½	21	21½	+ ⅛
MrldNat .88	195	16¼	16	16	— ¼
MathApl	158	18	16	17	—1
MaulL P .44	5	25½	25½	25½	
MayPet	1250	17	16¼	16⅞	+ ¾
MayoOil	1591	14½	13¾	14½	+1⅛
McCorm .44a	2934	20¼	18¼	20¼	+ ½
McDowE .131	14	14⅝	14½	14½	— ¼
McFarE	2671	14⅞	11⅞	14½	+3⅞
McQuay .70	209	9½	9	9	— ½
McRoan Oil s	775	30½	26	29	+3
MedGen	375	4½	3½	4¼	— ¼
Medcom	60	3½	3½	3½	
Medford 1	70	37	35	37	
Megadat	90	2⅛	1⅝	2⅛	+ ¼
MellonN 1.84	x289	28¾	27¾	28¾	— ⅜
Mentor	117	5	5	5	— ¼
MercBcp 2.32	58	25	25	25	
MercBk 1	25	11½	11¼	11½	+ ¼
Mercr pf3	2	35	35	35	
MerchNt 1.40	x35	23¼	23¼	23¼	
MerryCo .20b	33	10	9½	9½	— ½
MeyerF .56	549	28⅝	27¾	28⅝	+ ⅜
MeyrsPk	6	4	4	4	
MichNtl 1.20	173	18	17	17¼	— ¼
MicroMk	83	14⅝	14¼	14¼	— ⅜
Microhm .051	273	21¾	20¾	21¾	+1
Micrpl	327	1⅛	1 1-16	1 1-16	— ⅛
MicrPw	14	4¾	4¾	4¾	
MidlBcp 1.32	11	14	13½	14	
MidlCap	71	7½	7¼	7¼	— ⅛
MidlRes	890	7⅜	1 11-16	1 13-16	—1-16
MidlBks 2.16	63	25	25	25	
MidlBk 1pf2	9	19¼	19	19	
Midnite .30e	115	3⅜	3⅜	3⅜	— ⅛
MidwOils .52	274	8⅝	8½	8⅝

Chicago Options Table

Option &	price	Vol.	Last	Vol.	Last	Vol.	Last	Close
		— Dec —		— Mar —		— Jun —		N.Y.
[illegible]								
Fluoro	33¾	9	21¾	a	a	b	b	53⅜
Fluoro	40	29	15⅛	1	16	b	b	53⅜
Fluor	35	2	19½	a	a	a	a	53⅜
Fluor	40	27	14	43	15½	a	a	53⅜
Fluor	45	292	9½	110	11	1	13½	53⅜
Fluor	50	981	6⅛	247	8⅝	14	9½	53⅜
Gt Wst	15	52	½	a	a	a	a	20¾
Gt Wst	20	146	2½	212	3½	30	3¾	20¾
Gt Wst	25	94	7-16	17	15-16	65	1⅞	20¾
Halbtn	60	1	19¼	a	a	b	b	79
Halbtn	70	68	18¼	a	a	5	13	79
Halbtn	80	231	15-16	1	1	4½	a	a 79
Homstk	35	38	2¼	17	4	a	a	34⅜
Homstk	40	98	¾	12	2	2	2	34⅜
Homstk	45	5	⅛	60	⅞	b	b	34⅜
Hou OM	15	111	5⅝	40	6¼	12	6⅝	20⅝
Hou OM	20	925	13-16	464	2⅝	19⅝	3⅝	20⅝
Hou OM	25	381	7-16	314	13-16	b	b	20⅝
I N A	45	a	a	a	a	2	3	44⅝
I N A	50	19	1-16	a	a	a	a	44⅝
I B M	60	534	4½	87	4⅝	44	8⅝	62
I B Mp	60	995	1⅛	374	15-16	147	2 7-16	62
I B M	65	1214	13-16	333	3⅝	55	5¼	62
I B Mp	65	1509	3⅛	582	4¼	65	4⅝	62
I B M	70	419	7-16	352	1	408	3¼	62
I B Mp	70	532	7⅝	32	5	22	8⅛	62
I B M	75	96	⅜	419	15-16	b	b	62
I B Mp	75	295	13	28	13	b	b	62
I B M	80	13	1-16	b	b	b	b	62
I B Mp	80	12	17⅝	b	b	b	b	62
In Har	35	3	2⅝	a	a	a	a	36⅜
In Har	40	11	9-16	a	a	2	2¼	36⅜
In Har	45	35	⅛	a	a	b	b	36⅜
In Min	45	a	a	2	12¼	b	b	56⅜
In Min	50	8	7	2	7⅝	a	a	56⅜
In Min	60	39	1½	19	2⅝	a	a	56⅜
In Pap	35	4	2⅝	a	a	a	a	36¼
In Pap	40	19	⅜	23	1⅝	10	2⅝	36¼
In Pap	45	52	⅛	2	⅝	b	b	36¼
John J	60	5	11	a	a	a	a	70
John J	70	11	3⅝	a	a	a	a	70
John J	80	5	¼	a	a	b	b	70
Kerr M	50	10	11⅛	a	a	a	a	60½
Kerr M	60	150	3⅝	29	6¼	a	a	60½
Kerr M	70	46	¾	10	2⅝	a	a	60½
Merck	60	27	11	a	a	a	a	71
Merck	70	430	21-16	13	4⅝	67	6½	71
Merril	15	1	3⅝	a	a	a	a	18⅝
Merril	20	31	¾	221	11-16	10	2¼	18⅝
M M M	45	a	a	a	a	10	7⅝	49⅝
M M M	50	109	2½	8	3⅝	5	5¼	49⅝
M M M	60	77	⅛	47	¾	5	1½	49⅝
Monsan	50	10	9½	a	a	a	a	57⅜
Monsan	60	37	1⅝	2	3¼	2	4¼	57⅜
Nw Air	30	45	⅜	4	1⅞	a	a	28⅛
Nw Air	35	10	1-16	5	½	b	b	28⅛
Pennz	35	105	18¼	a	a	b	b	53¼
Pennz	40	207	13¼	2	14	b	b	53¼
Pennz	45	307	8½	26	10	54	10¼	53¼
Pennz	50	470	4⅝	95	6½	24	7⅝	53¼
Pennz	60	161	⅜	70	2⅝	29	3⅝	53¼
Pepsi	20	10	4⅝	a	a	a	a	24½
Pepsi	25	149	⅜	a	a	a	a	24½
Pepsi	30	36	⅛	a	a	2	¾	24½
Polar	20	86	4⅝	a	a	a	a	24
Polar	25	250	15-16	117	21-16	17	3⅝	24
Polar	30	23	5-16	45	1	26	1⅝	24
Polar	35	30	1-16	b	b	b	b	24
Sperry	40	13	8⅛	a	a	a	a	47¼
Sperry	45	226	3½	4	5	2	5⅝	47¼
Sperry	50	487	1	88	2¼	b	b	47¼
Squibb	30	2	6½	2	7½	a	a	35⅜
Squibb	35	66	2½	34	3⅝	4	5¼	35⅜
Squibb	40	9	⅜	17	1⅝	68	2⅝	35⅜
StorTe	17½	515	11-16	b	b	b	b	15⅝
StorTe	22½	42	⅛	b	b	b	b	15⅝
StorTec	10	10	5⅝	31	6⅛	a	a	15⅝
StorTec	15	451	1⅝	154	2⅝	32	3½	15⅝
StorTec	20	305	¼	89	15-16	90	1⅝	15⅝
Tandy	25	6	5¼	a	a	a	a	28⅞
Tandy	30	20	115-16	10	3	4	3⅝	28⅞
Teldyn	110	140	26½	b	b	b	b	133⅝
Teldyn	120	537	17⅝	207	23	19	26½	133⅝
Teldyn	130	1465	9⅝	177	15⅝	34	20	133⅝
Teldyn	140	1557	4½	111	10¼	41	14⅝	133⅝
Teldyn	150	1350	21-16	105	6¾	124	11	133⅝
Tex In	80	33	12¼	a	a	a	a	91½
Tex In	90	103	5⅝	13	8⅝	a	a	91½
Tex In	100	128	1⅝	13	4⅝	15	6¾	91½
Uplohn	45	40	2¼	5	2⅝	2	4⅛	45¼
Uplohn	50	58	7-16	27	1⅝	b	b	45¼
Weyerh	30	31	13-16	a	a	a	a	28½
Weyerh	35	a	a	3	9-16	a	a	28½
Xerox	50	44	9⅝	a	a	a	a	58⅝
Xerox	60	525	2⅝	58	4½	4	6	58⅝
Xerox	70	28	¼	44	1¼	34	2¼	58⅝
		— Feb —		— May —		— Aug —		
A E P	20	2	3-16	47	½	71	11-16	17¾
Am Hos	30	33	2⅛	a	a	a	a	38¾
Am Hos	35	38	9-16	1	17-16	4	1⅞	38¾

Option &	price	Vol.	Last	Vol.	Last	Vol.	Last	Close
A M P	35	7	2½	a	a	a	a	36⅛
Bally	25	46	10	33	11⅝	b	b	33⅝
Bally	30	191	6¼	45	8½	a	a	33⅝
Bally	35	283	3⅝	87	5⅝	1	7⅛	33⅝
Bally	40	152	115-16	39	3⅝	b	b	33⅝
Bally	45	97	⅝	19	2¼	b	b	33⅝
Bally	50	11	7-16	b	b	b	b	33⅝
Baxter	40	10	6	a	a	a	a	45¾
Baxter	45	21	3⅝	a	a	a	a	45¾
Baxter	50	25	15-16	22	2⅝	a	a	45¾
Blk Dk	20	76	2⅝	58	3½	a	a	22½
Blk Dk	25	43	9-16	66	1	17	19-16	22½
Boeing	35	68	11	b	b	b	b	44⅝
Boeing	40	260	6⅝	39	8⅛	5	9¼	44⅝
Boeing	45	743	3⅝	209	1	5	80	6⅝	44⅝
Boeing	50	1141	15-16	289	213-16	114	4	44⅝
Bois C	35	12	1	a	a	a	a	32⅝
C B S	50	7	111-16	3	2⅝	a	a	47⅛
Coke	30	8	3⅛	33	4	a	a	32⅝
Coke	35	52	⅜	14	1⅛	13	2⅝	32⅝
Coke	40	14	⅛	40	½	b	b	32⅝
Colgat	15	42	⅜	72	11-16	25	15-16	14
Colgat	20	a	a	5	⅛	b	b	14
Cmw Ed	20	a	a	a	a	5	2½	21
Cmw Ed	25	17	⅛	17	¼	35	7-16	21
C Data	30	5	20	b	b	b	b	51
C Data	35	30	16	b	b	b	b	51
C Data	40	281	12½	58	13	b	b	51
C Data	45	600	8⅝	108	5⅝	1	11	51
C Data	50	1294	4⅝	118	6⅝	48	8	51
Gn Dyn	30	118	22¼	b	b	b	b	52⅝
Gn Dyn	35	225	17⅝	b	b	b	b	52⅝
Gn Dyn	40	275	13¼	170	14¼	b	b	52⅝
Gn Dyn	45	496	9⅛	237	10⅝	2	11½	52⅝
Gn Dyn	50	899	5⅝	448	6⅝	103	8¼	52⅝
Gen Fd	35	21	¾	1	1⅛	a	a	32½
Hewlet	40	255	21	b	b	b	b	60½
Hewlet	45	100	14⅝	b	b	b	b	60½
Hewlet	50	250	11⅝	52	13⅝	2	14⅝	60½
Hewlet	60	375	4½	100	6¼	5	7¾	60½
Hewlet	70	47	1	6	2	155	3¼	60½
H Inns	20	340	2⅝	145	2⅝	40	4¼	16⅝
H Inns	20	688	11-16	110	1⅝	90	1⅝	16⅝
H Inns	25	3	⅛	32	⅜	b	b	16⅝
Honwll	60	33	17¾	b	b	b	b	77⅝
Honwllp	60	307	⅛	b	b	b	b	77⅝
Honwll	70	918	9¼	287	13⅛	30	12⅛	77⅝
Honwllp	70	1627	1¼	369	2⅝	7	3¼	77⅝
Honwll	80	1853	215-16	528	3⅛	20	6⅝	77⅝
Honwllp	80	1852	5⅝	482	6½	5	7⅝	77⅝
Honwll	90	216	5-16	53	19-16	b	b	77⅝
Honwllp	90	2	13⅝	5	13½	b	b	77⅝
In Flv	20	8	13-16	4	1½	a	a	19⅝
In Flv	25	a	a	1	¾	a	a	19⅝
J Manv	20	a	a	¼	1¼	a	a	23½
J Manv	25	12	½	62	1⅛	1	1⅝	23½
J Manv	30	7	⅛	a	a	a	a	23½
MGIC	25	74	5⅝	4	6⅝	a	a	29⅛
MGIC	30	57	2⅝	a	a	a	a	29⅛
MGIC	35	49	1⅝	14	2½	b	b	29⅛
MGIC	40	15	9-16	15	15-16	b	b	29⅛
Mobil	40	142	13¼	16	14⅝	b	b	52¼
Mobil	45	284	8⅝	47	10⅝	2	12	52¼
Mobil	50	689	5⅝	98	7⅝	30	9⅛	52¼
Mobil	55	1712	3⅛	258	5⅛	54	4⅝	52¼
N Semi	20	6	18¼	b	b	b	b	29⅝
N Semi	25	48	4⅛	49	7⅝	a	a	29⅝
N Semi	30	782	2⅝	80	4⅝	63	5⅝	29⅝
N Semi	35	243	1⅝	120	29-16	12	3⅝	29⅝
Occi	15	16	14	b	b	b	b	28⅝
Occi	20	128	9⅛	49	9⅝	b	b	28⅝
Occi	25	1873	5	337	6	100	6½	28⅝
Occi	30	2635	2⅛	732	3¼	277	4⅛	28⅝
Raythn	50	14	10½	a	a	1	12½	60¼
Raythn	60	359	3½	12	4⅝	8	5⅝	60¼
Rynlds	60	1	5¼	a	a	a	a	63
Rynlds	70	1	⅜	20	111-16	a	a	63
Slumb	60	10	36½	b	b	b	b	96⅝
Slumb	70	38	26½	38	28	b	b	96⅝
Slumb	80	27	18⅛	a	a	a	a	96⅝
Slumb	90	164	10⅛	27	12	25	14¼	96⅝
Slumb	100	430	4⅝	91	7⅝	98	9	96⅝
Skyln	10	33	1¼	a	a	2	2	10⅝
Skyln	15	30	1-16	3	5-16	17	½	10⅝
Southn	15	a	a	4	3-16	39	¼	11½
St Ind	50	457	35½	b	b	b	b	84¼
St Ind	60	483	25¾	a	a	b	b	84¼
St Ind	70	73	17	12	17¼	a	a	84¼
St Ind	80	103	7⅝	16	9⅝	62	12	84¼
St Ind	90	140	213-16	26	4½	6	5⅝	84¼
Tx Gif	25	39	4⅝	a	a	a	a	27⅝
Tx Gif	30	79	17-16	25	2½	11	3⅛	27⅝
U A L	20	32	1¾	28	215-16	20	3⅝	28⅝
U A L	25	41	7-16	22	15-16	19	1⅝	28⅝
U A L	30	20	1-16	a	a	b	b	28⅝
U Tech	35	7	4½	a	a	a	a	37
U Tech	40	373	17-16	39	2½	34	3⅛	37
U Tech	45	25	¼	4	¾	b	b	37
J Walt	30	28	1¼	7	2⅛	2	29-16	29⅝
Wllms	20	549	6⅝	23	7¼	a	a	26⅝
Wllms	25	818	2⅝	369	3½	47	4⅝	26⅝

Total volume 93,190 Open interest 2,043,532

a—Not traded. b—No option offered. p—Put.
Sales in 100s. Last is premium (purchase price).

American Exchange Options

Option &	price	Vol.	Last	Vol.	Last	Vol.	Last	Close
		— Dec —		— Mar —		— Jun —		N.Y.
Asarco	15	65	10⅝	1	10⅝	b	b	25¾
Asarco	20	67	6⅝	7	7⅛	14	7¾	25¾
Asarco	25	233	21-16	103	3¾	37	4⅝	25¾
Asarco	30	778	¼	80	113-16	78	2¾	25¾
Beat F	20	a	a	a	a	2	2	20¼
Beat F	25	a	a	a	a	5	9-16	20¼
Chase	35	⅝	1½	86	3½	114	4½	35⅛
Chase	40	77	1-16	106	1	10	2	35⅛
Chase	45	7	1-16	5	¼	a	a	35⅛
Coastal	15	1	18	b	b	b	b	33⅝
Coastal	20	2	13	a	a	b	b	33⅝
Coastal	25	271	8½	82	9⅛	17	9⅝	33⅝
Coastal	30	1137	3⅝	277	5⅝	26	6½	33⅝
Coastal	35	941	15-16	244	211-16	227	3¾	33⅝
Deere	30	250	7⅛	a	a	b	b	37
Deere	35	250	2⅛	7	3⅝	5	4½	37
Deere	40	13	3-16	2	1⅛	a	a	37
G Tel	25	79	2⅛	a	a	1	3	27
G Tel	30	51	1-16	36	5-16	30	11-16	27
Gillet	25	9	13-16	2	1⅝	a	a	25⅝
Gillet	30	3	1-16	3	⅜	3	11-16	25⅝
Hercul	15	a	a	a	a	5	5½	19¼
Hercul	20	36	9-16	129	1¼	25	2⅛	19¼
Hercul	25	a	a	40	⅜	2	13-16	19¼
Pfizer	30	2	10	a	a	4	10⅝	40
Pfizer	35	92	5¼	91	6¼	26	6½	40
Pfizer	40	484	17-16	446	213-16	71	3¾	40
Ph Mor	30	5	4	a	a	a	a	33½
Ph Mor	35	44	9-16	25	111-16	15	2⅝	33½
St Cal	45	2	14	a	a	b	b	58¾
St Cal	50	41	9¼	27	10½	a	a	58¾
St Cal	60	287	1¾	235	4⅛	23	6	58¾
St Cal	70	a	a	20	11-16	15	23-16	58¾
		— Jan —		— Apr —		— Jul —		
Aetnaop	26⅝	90	⅛	b	b	b	b	33½
Aetnaop	30	5	9-16	b	b	b	b	33½
Aetnaop	33⅝	24	1¼	b	b	b	b	33½
Aetna	25	4	7½	10	8¼	a	a	33½
Aetna	30	195	3⅝	14	4¼	33	5	33½
Aetnap	30	135	7-16	26	11-16	38	1⅜	33½
Aetna	35	238	¾	83	17-16	10	2	33½
Aetnap	35	24	2½	a	a	5	2⅝	33½
Am Cyc	25	162	6¼	43	7¼	50	7⅝	30¼
Am Cyc	30	849	213-16	84	4¼	727	5	30¼
Am Exp	30	96	17-16	a	a	15	3½	30
Am Exp	35	a	a	a	a	5	1	30
Am Hom	25	59	4	10	4½	a	a	28⅛
Am Hom	30	283	¾	66	1½	9	2	28⅛
Burrgh	60	128	17⅝	211	18¼	203	19¼	76½
Burrgh	70	309	8⅝	7	10½	13	12	76½
Burrgh	80	555	2⅝	309	4⅝	10	6¼	76½
C Tel	15	1	⅜	a	a	a	a	14¼
Dig Eq	50	111	17¼	56	18¼	9	19⅝	66¼
Dig Eq	60	511	8¼	88	10⅝	11	12½	66¼
Dig Eq	70	672	21-16	97	4⅝	8	6	66¼
Disney	35	90	4⅛	10	5⅝	22	7	37⅝
Disney	40	359	17-16	372	113-16	135	3⅝	37⅝
duPnto	43⅝	89	⅞	b	b	b	b	40⅛
duPnto	46⅝	47	5-16	b	b	b	b	40⅛
du Pnt	35	80	6	4	4¼	a	a	40⅛
du Pnt	40	87	2¼	102	3⅝	35	4⅝	40⅛
du Pnt	45	216	½	68	1⅝	25	2⅝	40⅛
Fst Ch	15	20	19-16	111	3-16	4	2⅝	15⅝
Fst Ch	20	266	3-16	a	a	a	a	15⅝
Goodyr	10	a	a	24	2⅝	5	3	12¼
Goodyr	15	a	a	5	½	35	¾	12¼

Option &	price	Vol.	Last	Vol.	Last	Vol.	Last	Close
Grevhd	15	119	½	31	15-16	104	15-16	14½
Grevhd	20	10	1-16	10	¼	b	b	14½
Gulf O	25	101	11⅝	137	12	b	b	36¼
Gulf O	30	333	6⅝	139	7⅝	32	8	36¼
Gulf O	35	744	2⅝	220	4	56	4⅝	36¼
H F C	15	10	2⅝	a	a	a	a	18
H F C	20	119	¼	16	11-16	a	a	18
Lilly	50	33	12¼	5	12⅝	a	a	61½
Lilly	60	120	3¼	15	4½	2	5¾	61½
Merril	15	21	4	36	4⅝	10	4⅝	18⅝
Merril	20	1063	⅜	194	111-16	86	2¼	18⅝
MesaPt	40	21	13¼	5	13½	5	15	51⅞
MesaPtp	40	69	⅜	a	a	a	a	51⅞
MesaPt	45	257	8½	28	10⅝	6	11½	51⅞
MesaPtp	45	149	1	35	1¾	20	2⅝	51⅞
MesaPt	50	985	5⅛	289	6	101	9½	51⅞
MesaPtp	50	259	2½	25	3	14	3⅝	51⅞
MesaPo	35	75	46½	b	b	b	b	51⅞
MesaPo	40	120	41½	b	b	b	b	51⅞
MesaPo	45	799	36½	b	b	b	b	51⅞
MesaPo	50	524	31½	a	a	a	a	51⅞
MesaPop	50	131	1-16	a	a	a	a	51⅞
MesaPo	60	763	21¼	119	23	2	24⅝	51⅞
MesaPop	60	426	3-16	42	⅝	a	a	51⅞
MesaPo	70	1939	12⅛	106	14⅝	34	16½	51⅞
MesaPop	70	517	¾	91	1½	34	2⅝	51⅞
MesaPo	80	2107	4⅝	371	8	b	b	51⅞
MesaPop	80	189	3⅛	48	3⅝	b	b	51⅞
Motrla	45	22	5⅝	2	7¼	a	a	49⅛
Motrla	50	48	2½	3	4¼	a	a	49⅛
Motrla	60	2	¼	a	a	b	b	49⅛
Phelps	20	20	5⅝	a	a	a	a	25½
Phelps	25	104	111-16	75	213-16	a	a	25½
Phelps	30	63	⅜	20	11-16	12	1½	25½
Pitney	30	a	a	a	a	20	15-16	26⅝
Proc G	70	41	3½	39	6½	5	7½	70⅝
Proc G	80	24	¼	43	1⅛	4	2⅝	70⅝
Rite A	20	1	3	a	a	b	b	22⅝
Rite A	25	a	a	7	13-16	b	b	22⅝
T R W	35	44	2¼	2	3⅛	a	a	35
T R W	40	5	⅜	4	1¼	a	a	35
Tandy	20	5	9¼	a	a	3	10¼	28⅝
Tandy	25	27	5	89	6¼	4	7	28⅝
Tandy	30	222	1⅝	39	3	27	4	28⅝
Texaco	25	18	5⅝	29	4¼	20	7⅛	30
Texaco	30	526	1⅝	317	215-16	40	3⅝	30
Texaco	35	45	¼	230	1⅛	136	111-16	30
U Carb	35	a	a	1	5	1	5⅝	38⅝
U Carb	40	119	1⅝	64	2¾	19	3⅝	38⅝
U Carb	45	37	3-16	8	15-16	8	1⅝	38⅝
U S St	20	113	¾	135	1	63	111-16	18½
U S St	25	10	1-16	32	3-16	a	a	18½
Wrn Lm	20	121	11-16	102	1½	6	23-16	19¼
Wrn Lm	25	18	7-16	1	3-16	a	a	19¼
Westng	15	139	3⅛	13	4	a	a	17⅝
Westngp	15	55	⅛	19	⅜	79	½	17⅝
Westng	20	160	5-16	87	⅜	117	1⅛	17⅝
Westngp	20	178	2¼	45	23-16	9	2¼	17⅝
Westng	25	20	1-16	63	¼	a	a	17⅝
Westngp	25	71	7⅛	a	a	a	a	17⅝
		— Feb —		— May —		— Aug —		
A M F	10	2	5⅝	1	5¼	1	6	15⅛
A M F	15	46	11-16	3	19-16	37	2⅛	15⅛
A M F	20	9	⅛	34	¼	a	a	15⅛
A S A	20	12	9⅜	a	a	b	b	28½
A S A	25	74	5	26	5⅝	10	6⅝	28½
A S Ap	25	94	⅜	37	¾	23	15-16	28½
A S A	30	163	1¾	47	2¾	32	3⅝	28½

Option &	price	Vol.	Last	Vol.	Last	Vol.	Last	Close
A S Ap	30	34	2⅛	a	a	27	2⅞	28½
A S A	35	208	9-16	41	1¼	b	b	28½
Avnet	20	49	3⅝	a	a	2	5	22⅝
Avnet	25	265	1¼	102	2⅝	6	2⅝	22⅝
Bally	25	288	10⅛	136	11¾	b	b	33⅝
Bally	30	628	6¼	150	8⅛	62	9½	33⅝
Bally	35	1139	3⅝	211	5⅝	76	7	33⅝
Bally	40	749	2	417	3⅝	a	b	33⅝
Bally	45	571	⅞	214	25-16	b	b	33⅝
Bally	50	149	7-16	b	b	b	b	33⅝
Caterp	50	3	3½	a	a	a	a	52½
Caterp	55	a	a	a	a	2	2¾	52½
Con Ed	20	25	3⅝	33	3½	a	a	23½
Con Ed	25	62	5-16	82	½	4	¾	23½
Dr Pep	10	50	27-16	195	215-16	a	a	12⅛
Dr Pep	15	294	7-16	102	¾	81	11-16	12⅛
Dr Pep	20	3	1-16	a	a	b	b	12⅛
El Pas	15	42	6	a	a	a	a	20¾
El Pas	20	187	1⅝	183	2¼	30	211-16	20¾
El Pas	25	91	7-16	47	¾	26	13-16	20¾
Fleetw	10	42	⅛	b	b	b	b	8
Grace	30	15	6⅝	a	a	a	a	36⅝
Grace	35	80	3¼	a	a	5	5	36⅝
Grace	40	167	13-16	22	2	13	29-16	36⅝
La Pac	20	34	1⅜	17	25-16	9	3	19⅝
La Pac	25	a	a	3	¾	a	a	19⅝
MGIC	20	54	9⅝	4	10	b	b	29⅛
MGIC	25	492	5⅝	15	6⅝	a	a	29⅛
MGIC	30	1040	215-16	482	4½	75	5	29⅛
MGIC	35	610	1⅝	97	2½	b	b	29⅛
MGIC	40	104	½	52	1¼	b	b	29⅛
N Dist	20	6	7	1	7¼	a	a	26⅝
N Dist	25	71	215-16	84	3⅝	5	4⅝	26⅝
N Dist	30	171	⅞	668	1⅝	13	2¼	26⅝
N Semi	25	48

New York Stock Exchange Weekly Bond Sales

Bonds	Last Price
NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.	
Int-Am Dev. Bank	
IAm 4½84N	75.20
IAm 8½s95	80
IAm 8¼s85	87.16
IAm 8s85	87.4
IAm 8½86	86
IAm 9s01	82
World Bank	
IntBk 5s85	74.17
IntBk 4½s90	60.8
IntBk 8½s95	78.16
IntBk 8½s96	76.16
IntBk 8s80	99.8
IntBk 8.3s80	96
IntBk 9.35s00	84
IntBk 8s81	92.24
IntBk 8¼86	83
IntBk 7.8s86	80.16
IntBk 8¼02	76.8
New York City	
NYC 2s80	93.25
Corporation Bonds	
AAIF 10s85	98½
AMInt 9½95	72¼
APL 10¾97	75
ATO 4¼s87	63¼
ATO 10¾98	78½
AehLt 8½07	76¾
AlaBn 10.55s99	98¼
AlaBnc 9½84	92
AlaP 9s2000	74½
AlaP 8½s01	70
AlaP 7½s02	67
AlaP 7¾s02	65⅞
AlaP 8¾s03	70¼
AlaP 8¼s03	68¼
AlaP 9¼s04	78½
AlaP 10⅞05	89
AlaP 10½05	86¾
AlaP 8⅞06	70½
AlaP 8¾07	71⅞
AlaP 8⅞87	79¾
AlaP 9¼07	77¼
AlaP 9⅞88	77¼
AlskIn 6s96	145
AlexN 5½96	50½
AllgL 10¼99	83
AllDC 5.2s91	86
AllDC 8¾83	88½
AllDPd 7s84	79
AllstF 8½87	78
AllstF 7⅞87	81
Alcoa 5¼s91	91½
Alcoa 6s92	68
Alcoa 9s95	83
AluCo 9½95	87
AMAX 8s86	84⅞
AMAX 8½84	88½
Amerce 5s92	80
AFoP 4.8s87	67½
AForP 5s30	46
AAirl 4¼s92	65
AAirl 11s88	93
AAirl 10⅞88	92½
AAirl 10s89	88
ABrnd 5⅞92	65
ABrnd 8½85	87⅛
ACon 6s97	66
ACyan 7¾01	71½
ADist 4¾s86	70
AExC 9½s82	92⅞
AExC 7.7s87	79
AGnIn 6½94	106¼
AGrIn 9⅞08	86
AHoist 4¼92	130
AHoist 5½93	106½
AInvt 8¼s89	73½
AMF 4¼s81	88
AmMot 6s88	79
AmSL 7¼82	89½
AmStr 9⅞90	87¼
ASug 5.3s93	57
ASu 5.3s93r	57
ATT 2¾s80	93
ATT 2¾s82	80¼
ATT 3½s84	76
ATT 4¾s85	75¾
ATT 4½s85r	75½
ATT 2¾s86	65¼
ATT 2¾s87	63
ATT 3⅜s90	61¼
ATT 8¾00	84
ATT 7s01	70⅞
ATT 6½s79	99½
ATT 7¾s03	70⅞
ATT 8.80s05	83¾
ATT 7¾s82	91½
ATT 8¾s87	81⅛
Amfac 5¼94	67
Ampx 5½94	63½
Anhr 7.95s99	75
Anhr 9.20s05	87
Anhr 9.9s86	94
AppP 11⅞83	97
AppP 11s82	96
AppP 10½84	93
AppP 11s87	95
Arco 8.70s81	93½
Arco 8s82	91⅝
Arco 8¼s83	89⅛
Arco 8s84	90¼
Arco 7½82	89
Arco 7¼86	83
Aristr 9½89	87¾
ArizP 7.45s02	66
ArizP 9½s82	94
ArizP 9.8s80	97¾
ArizP 10⅝00	93
ArizP 12½09	99½
ArlnRf 5s86	41½
ArmS 8.7s95	85
Armr 4½83	90
Armr 5s84	88½
Armr 5s86r	88½
Armr 9⅞s00	90
ArCk 8s96	82
AshO 4¾93	114
AshO 8.8s00	81
ADGC 8⅞83	86¾
AsCp 9¼90	77½
AsCp 8⅝87	96
Asinv 4¾84	72¼
AtchSn 4s95	54⅛
ARich 8⅝00	81¼
ARich 7¾03	74⅞
AvcoC 5½93	64½
AvcoC 7½93	64¼
AvcoF 9¼89	85
AvcoF 11s90	95
AvcoF 10½s	95½
AvcoF 8⅞91	78⅞
AvcoF 9⅝87	91
BakInt 7.55s87	80¼
Bally 6s98	122
BO 4s80	94¾
BO 4¼95	56
BO 4½10A	67
BoIGE 3¾90	48½
BoIGE 10s82	96½
BoIGE 10½83	95⅞
BoIGE 9⅝85	92
BoIGE 8⅝86	75½
BoIGE 8¼07	73
BoIGE 9⅝08	84
BancP 8¼94	82½
BancP 11½98	86¾
BancP 11⅛98	84
BkCal 6½96	81½
BkNY 6¼94	92
Banko 7¾03	74¼
Banko 8⅞05	81½
Banko 8¼01	81¼
Bkam 8.35s07	74
BnkTr 8½99	73⅞
BnkTr 8¾02	76
BorCA 8⅞86	85
BorCA 8⅝97	72½
BoxL 4¾s91	123½
BoxL 4¾s81	104¼
BoxL 8¾s91	88
BecD 4¼s88	74½
BecD 5s89	69½
BeecA 4¾93	214
Belco 4¾s88	123
Belden 8s90	106½
BellCn 8¾06	80
BellPa 8¾06	80¾
BellPa 7½12	68
BellPa 7½13	71
BellPa 9⅝14	88¼
BellPa 8¾15	81½
BellPa 8½17	75½
BellPa 9½19	86¼
Bendix 9¼81	94
BenCp 7½96	70
BenCp 7.45s00	69⅛
BenCp 8.3s03	74⅞
BenCp 8.35s88	81¾
BenCp 8.4s98	85
BenCp 9.4s85	91⅛
BenCp 11.5s87	99½
BenF 4⅞81	87¼
BethSt 4½90	66
BethSt 6⅝99	66¾
BethSt 9s00	78⅛
BethSt 8.45s05	73¾
BigT 9.85s09	90
BlkD 8.45s85	85
BobbB 5¼81	87¼
BoisC 9.9s86	92¾
Bordn 9⅜09	85½
BorW 7⅞s91	73
vBoMe 6s70f	82
vBoMe 4½70f	43
BosE 9¼07	76
Brnf 5¾86xw	62
Brnf 11½s87	91
BrkUn 9½95	82½
BrkUn 9¾85	92½
BucyE 7¾83	81
BudaC 6s10	45
BudaC 11½98	87
Bulova 6s90	62
BurInd 5s91	69½
BurInd 9s95	81
BurNo 8½94	84½
BurNo 5¼92	103½
BurNo 8.6s99	75
Burro 7¾81	93
Butte 5½s88	83¾
Butte 10¼97	70½
CCI 12¾98	91½
CIT 7¾81	91½
CIT 8.85s82	90¼
CIT 7⅞86	81¾
CMEI 6½82f	66¼
CNA 8½95	74¾
Coesr 12½98	92¾
Coesr 11¼97	82⅞
Coesr 12s94	87¾
CPc4s perp	40¾
CorPL 7¾02	70
CoraT 9¼00	81½
CorIH 7.9s82	88
CosNG 10½92	86¾
Cose 5½s90	69
CostC 5¾94	80½
CoTr 5.3s92	72¾
CoTr 8.65s99	83
CoTr 8¾82	91
CoTr 8⅞99	84¼
CoTr 5½00	103
CoTr 8s01	77½
Cove 11½00	84
Cove 11½00N	83
Celanse 4s90	70
Cenco 5s96	50
Cenco 4¾97	47
CrNel 8⅝96	75
CtryTel 9s98	94
ChrtCo 10⅝98	81¼
ChsBk 4⅞93	66¼
ChsBk 8¾86	86½
ChsCp 6½96	69¾
ChsCp 10.85s99	100¾
ChsCp 12¼09	92½
Chelse 5¼93	55
Chelse 10s99	91
Chmtrn 9s94	80⅞
ChNY 5s93	59
ChNY 5½96	60½
ChNY 6¼80	96 11-32
ChNY 7.8s82	88
ChNY 8.45s99	74
ChNY 8¼02	75¾
ChNY 12.65s04	95⅝
C&O 4¼92	54½
ChsCp 10.85s99	100¾
ChsCp 12¼09	92½
Chelse 5¼93	55
Chelse 10s99	91
Chmtrn 9s94	80⅞
ChNY 5s93	59
ChNY 5½96	60½
ChNY 6¼80	96 11-32
ChNY 7.8s82	88
ChNY 8.45s99	74
ChNY 8¼02	75¾
ChNY 12.65s04	95⅝
C&O 4¼92	54½
ChsCp 10.8s99	100¾
ChsCp 12¼09	92½
Chelse 5¼93	55
Chelse 10s99	91
CrCh 7s89	99
CrCh 12s99	91
ChryS 8½95	51½
ChrysIr 8⅝98	45
ChryF 7¾86	68
ChryF 8.35s91	62
ChryF 7.7s92	57⅞
ChryF 10s81	85
ChryF 9½83	75
ChryF 9s86	69
ChryF 8⅞82	77¼
ChryF 7¾84	70
ChryF 9⅜87	63
CitCp 6s80	92 29-32
CitCp 10.8s89	99½
CitCp 5¾00	64
CitCp 8.45s07	75
CitCp 8½07	74½
CitCp 11.1s98	95
CitCp 12.7s04	94¾
CltSv 6½97	75½
CltSv 7.65s81	71⅞
CltInv 7½90	108
CltInv 5¾86	69¼
CltInv 8⅞97	72¾
CltInv 8½91	69⅛
CltInv 9s96	72½
CltInv 9½97	73
CltEq 9s82	92
CltEq 7.85s91	73
CltEq 9¾82	93½
CltEq 8s87	83
ClevEl 7½90	73⅞
ClevEl 8⅝91	77
ClevEl 8¾05	76
ClevEl 9¼09	80½
ClevEl 9.85s10	85
ClevEl 8.85s82	90¾
ClevEl 8.65s80	96 3-32
ClevEl 8¼17	76
CluelP 4¼84	89
ColuG 3¼80r	92
ColuG 4¼83	81½
ColuG 9s94	85
ColuG 8¾95	82¾
ColuG 8¾96	84
ColuG 8¼96	76¾
ColuG 7½97M	70⅞
ColuG 7½97J	73½
ColuG 9¾89	90½
ColuG 10¼99	90
ColuPl 4¾87	154½
ColuPl 5¾94	95½
CoISO 7¾80	95
CoISO 11s83	96⅝
CoISO 9¼82	90⅝
CoISO 7¾85	80½
CmCr 8s81	95¼
CmCr 8⅞86	86
CmCr 8.8s85	79½
CmCr 8.35s86	79¾
CmwE 7¾03F	65
CmwE 7¾03J	65¼
CmwE 8s03	72
CmwE 8¾05	77
CmwE 9s83	91¼
CmwE 8¾81	94¼
CmwE 8¾84	82⅝
CmwE 8s87	89
CmwE 8¾87	77¾
CmwE 9¾88	80
CnNG 5s85	72⅝
CnNG 4⅝86	77
CnNG 4½92	47
CnNG 7¾94	74¼
CnNG 8¼94	76¼
CnNG 9s95	81¼
CnNG 8⅝96	74½
CnNG 9¼95	86
CnPw 5⅝96	58¼
CnPw 6⅞98	60
CnPw 6⅝98	62⅞
CnPw 7⅝99	66½
CnPw 8⅝00	75
CnPw 8½01	78¾
CnPw 7½02J	68
CnPw 8⅝03	72
CnPw 11⅝04	98
CnPw 11½05	95½
CnPw 9¾06	81⅛
CnPw 9s06	75
CnPw 8⅝07	73½
CnPw 9s08	75½
ClAir 3½92	50
ClCp 9½90	91
ClCp 10.5s89	98⅝
ClC 12.15s87	95
CtOil 7½99	78
CtOil 9½99	86
CtOil 8⅝01	84¼
CTCol 10s82	93
CITI 10½83	95
CtDat 5½87	67¼
CoopL 7½91	104
CoopL 7½92	62
CoopL 10½92	86
CrnPd 4⅝83	78½
CrnPd 5¾92	70
CornG 7¾98	76
Crane 7s93	62½
Crane 7s94	62½
Crane 8s85	85¼
Crane 10½94	85⅞
CrdF 10½91	97
CrdF 10⅝81	95
CrdF 8¾86	82¼
CrdF 8.2s87	79
Cresnt 5½80	97½
CrocN 10s94	96¼
CrocN 8.4s02	79
CrwnZ 8⅝00	82
CrwnZ 9¼05	85¼
Culb 11½05	81½
DPF 5¼87	62
Dana 7.3s96	75⅝
Danr 4¼97	57
Davc 5¾94	66½
Davc 6s94	70⅛
DayH 7¾94	84
DayH 8½01	72
DayH 8s03	73
DayH 10½81	94⅝
Deere 4½83	85¾
Deere 7.9s87	82¼
Deere 5½91	111
DeerCr 8¾82	90
DeerCr 8s84	85⅝
D&RG 4½18	63¾
DetEd 3¼80	94
DetEd 2⅞84r	72
DetEd 6s96	56½
DetEd 6.4s98	56
DetEd 9s99	73⅞
DetEd 9.15s00	74⅛
DetEd 8.15s00	67
DetEd 8½01	66
DetEd 7¾01	61
DetEd 7½03	61⅛
DetEd 9¾04	79
DetEd 12¾82	100⅝
DetEd 11⅝00	98
DetEd 10⅝06	85
DiGlor 5¾93	71½
Digit 4½02	62
Dilling 5½94	62
Dilling 9¾99	100½
FrdC 9.55s89	89½
Fruf 5½94	70
FruF 9.15s83	90⅛
FruF 8s87	77¼
Fuqua 7s88	69
Fuqua 9½98	71⅞
Fuqua 9⅞97	74¾
Gamb 10s89	83¼
GnAtr 5¾99	73½
GCip 5½87	76⅛
GnEl 5.3s92	69⅝
GnEl 7½96	77⅛
GnEl 8½04	83¼
GEICr 7s80	96 25-32
GEICr 8.6s85	87¼
GEICr 8.65s84	89
GEICr 8¼86	86
GEICr 7⅝88	79
GEICr 8½97	79½
GEICr 9⅛84	90½
GEICr 9⅝87	93½
GFood 8⅞90	91½
GFood 7½84	86¼
GFood 7s94	54¼
GnInst 5s92	82
GMills 8⅝95	82⅛
GMills 8s99	82⅝
GMills 9⅞00	87¼
GMA 5s80	93½
GMA 5s80r	93½
GMA 5s81	91
GMA 5s81r	89½
GMA 4⅝82	83¼
GMA 4⅝83	80¼
GMA 4½85	72¾
GMA 4⅝86	71½
GMA 4⅝87	68¾
GMA 4½88	66½
GMA 4½89	63¾
GMA 4⅝90	61½
GMA 7.25s87	79⅝
GMA 8s02	75¾
GMA 7.3s85	82
GMA 8s87	74¼
GMA 8¼06	76
GMA 8.2s88	81
GMA 8.65s08	78
GMA 8¾88	85
GMA 8⅝85	88⅝
GMA 9s84	91
GMA 9¾89	92¼
GMA 9¾03	90
GMA 9⅝89	88
GMA 9.4s04	88
GM 8.05s86	86¾
GM 8⅝85	83
GnCam 8⅝99	80
GTE 4s90	60
GTE 5¼91	65
GTE 5s92	64½
GTE 9⅝95	82⅛
GTE 6¼96	79
GWat 8¼s96	85
Gene 10⅝84	93
GaPac 5¼96	84½
GaPac 7¼85	84
GaPw 8⅞00	74
GaPw 7⅝01	63½
GaPw 8⅛01	67
GaPw 10½01	63¼
GaPw 7½02J	63¼
GaPw 7⅝03	66⅛
GaPw 8¾04	69⅛
GaPw 11¼00	92½
GaPw 11¾05	92
GaPw 9⅞06	81
GaPw 9¾08	81
GaPw 10½09	87¾
GaPw 11s09	87¾
GdchMar 10⅝98	90⅝
GdrCh 9¾82	93¼
Gdyr 8.6s95	76
Gdyr 7.35s97	65⅝
Grace 6½96	121
GranC 4¾94	63½
GtNoR 3¼00	35
GtWst 6s87	73⅝
Greyh 6½98	82¾
Greyh 9¾01	79⅛
GreyF 7.8s86	88
GreyF 9½92	84⅝
Grum 4¼92	68
Grum 8s89	99
GlWn 6s87	76
GlWn 6s88	67½
GlWn 5½93	86
GlWn 7s00A	57½
LglsL 9⅞84	91¾
Laral 10¼97	88
LorRld 6¾93	68¼
LouN 4⅞87	66
LouN 7¾93	70
LouGs 9¼00	83
Lowen 8½94	68
Lykes 7½94N	52¼
Lykes 7½94	53¼
Lykes 11s90	73¾
Lynch 8½99	103
MGIC 5s93	66½
MGIC 8⅞88	81¾
MacD 6s87	87
MckF 9⅞90	81¼
MckF 9⅞91	85¼
MckTr 8½81	93
Mackie 4⅞92	60
MacMl 4s92	64½
McCyr 8s82	89¾
McCyr 9¼80	95½
MeYk 9.1s02	75½
MfrH 7.6s81	90¾
MfrH 8⅝02	90¾
MfrH 8¼07	72
MfrH 12.15s87	93
MarO 8½00	81
MarO 7.65s83	86½
Marcor 6⅛88	70
Marcor 5s96	96¼
MaMu 6¼91	63
MarDC 9s89	81⅛
McCro 5s81	85¼
McCro 6½92	50
McCro 7½94	52
McCro 7¾97	53½
McCro 7¾95	54½
McDnl 9⅝82	85
McDnl 9s85	89⅛
McDD 4⅞91	104
Mead 8½95	76
Melin 7.8s82	92
Melin 11½89	93
Merck 5¼90	55
Merck 7⅞85	87
MGM 10s93	81
MGM 10s94	80½
MGM 10½s96	84½
MGM 9¼s86	87¼
Metro 9s88	84
MichB 7¾85	72¾
MichB 7s10	64⅛
MichB 5.6s08	53¾
MichB 8¼15	75⅝
MichB 9⅛18	83¼
MicG 10⅝82	95
MicW 8⅝93	81½
MidM 8s80	94½
MMM 8.20s	87½
MMM 8.85s	89
MRwT 9¼90	94¼
MKT 4s90	47
MPac 4¼90r	62½
MPac 4¼85	45½
MPac 4¾20f	42
MPac 4¾30f	41⅞
MPac 5s45f	43¼
Mobil 8½01	81¼
MoPac 7¾01	73
MohD 5½94	55½
Monog 10s99	79½
Monog 11s04	85
Mons 8s85	86½
Mons 8½00	85⅛
MntWC 4⅞80r	77½
MntWC 5¾81	89¼
MntWC 7⅝88	74¼
MntWC 9s89	82
MntWC 9½90	91
MntWC 9½83	92½
MntWC 8⅝86	83
MorrM 7¾92	71¾
Morgn 8s86	84¼
MSTI 7¾91	69¾
MSTI 7¾93	72½
MSTI 9¾92	88
MSTI 9½95	87
MSTI 8⅞81	92¼
MSTI 7⅞76	73
MSTI 8s87	75
MSTI 8½98	79½
MSTI 9¼14	84
NCNB 8.4s95	72¾
NCNB 7⅝97	67¼
NCNB 8½99	73
NCR 9s85	90¼
NLInd 9⅝s	85
NLT 8.80s85	89
NBlsc 4¾87	67½
NCity 5⅝88	57¾
NCity 6½91	57½
NDair 4⅝92	76
NDist 4½92	100
NHam 4¾96	34¼
Nlnd 5¾89	74½
Nlnd 10s99	91¼
NRU 10½81	96½
NRU 8.95s85	89¼
NSH 3⅞86	73
NSH 4⅝89	55
NSH 8s95	77
PenC 7s87Af	84⅝
PenC 7s87Bf	82¼
PenC 8s87Xf	68
PenC 8s87Yf	68⅝
PennD 5s82	87
Pencp 10¼97	87
PenyF 7⅞91	73⅝
PnyF 9.4s81	94
PenyF 10.2s94	85
Penny 8⅞95	81½
Penny 9s99	81
PoPL 10½82	95½
Pennzl 7½88	76¼
Pennzl 7⅝88	75⅛
Pennzl 5¼96	139½
Pennzl 8⅝96	77
Pennzl 10⅝83	95½
Pennzl 8⅝01	79
Pennzl 8¼01	77½
PeraM 3¾80	95¼
PcBl 7s14	91¼
PcBl 9.2s10	84
PcBl 8.2s83	88½
PcBl 8¼17	77⅝
PcBl 9⅝16	88¼
PcBl 8.2s87	80½
PcBl 9.2s94	84⅝
PtOn 10.4s89	99½
PtOn 8⅝05	80
PtOn 7⅝07	75½
PtOn 8⅝00	80
PtOn 8⅝01	80
PtOn 8⅝81	92⅝
PtOn 7⅝86	77
PtOn 8⅝87	79
PtOn 9⅝88	80½
PtOn 11s90	94
PtOn 10½87	91½
PtOn 12½91	99⅝
PtOn 10⅝94	95⅝
PtOn 11s00	92
PtOn 11⅝97	93½
PtOn 10½88	91½
PtOn 9⅝91	76⅛
PtOn 8⅝92	78½
PtOn 8.2s03	72⅝
PtOn 7½03	70
PtOn 7¾04	70
PtOn 7¾05ZZ	69
PtOn 7¾05A	70
PtOn 9⅝06	83¾
PtOn 9.85s92	95
PtOn 8⅝06	83⅞
PtOn 9½85	92
PtOn 8⅝08	73¼
PtOn 9½09	75
PtOn 9½11	78
PtOn 10½12	87¾
PNwT 8⅝10	81
PNwT 8¾08	81
PNwT 9s12	82
PNwT 8¾18	81¼
PNwT 10⅝19	91¼
PSnAir 6s87	67⅛
PocTT 2⅞86	64
PocTT 4⅝88	61
PocTT 8.65s05	74¼
PocTT 8¾06	75½
PocTT 7.8s07	68½
PocTT 7¼08	64½
PocTT 8⅞80	96 9-32
PocTT 7⅝09	68
PocTT 9½11	79
PocTT 9s81	93¼
PocTT 9.1s84	90¾
PocTT 8⅝15	74½
PocTT 8⅝17	71⅛
PocTT 9⅝14	79⅞
PocTT 9s18	75⅝
PocTT 9⅝18	81
PocTT 9⅝16	81½
PocTT 9⅝19	80¾
Paine 11½99	91
PAA 4½s84	76¼
PAA 4½s86	55½
PAA 5¼s89	54½
PAA 11¼s86	94
PAA 11⅛s86	94
PAA 7½s98	90½
PAA 9⅝s96	103½
PAA 11½94A	93½
PAA 11½94B	94
Pancft 5¼94	71
PatPet 8½92	114
PenC 7s87Af	84⅝
PenC 7s87Bf	82¼
PenC 8s87Xf	68
PenC 8s87Yf	68⅝
PennD 5s82	87
Pencp 10¼97	87
PenyF 7⅞91	73⅝
PnyF 9.4s81	94
PenyF 10.2s94	85
Penny 8⅞95	81½
Penny 9s99	81
PoPL 10½82	95½
Pennzl 7½88	76¼
Pennzl 7⅝88	75⅛
Pennzl 5¼96	139½
Pennzl 8⅝96	77
Pennzl 10⅝83	95½
Pennzl 8⅝01	79
Pennzl 8¼01	77½
PeraM 3¾80	95¼
PcBl 7s14	91¼
PcBl 9.2s10	84
PcBl 8.2s83	88½
PcBl 8¼17	77⅝
PcBl 9⅝16	88¼
PcBl 8.2s87	80½
PcBl 9.2s94	84⅝
PtOn 10.4s89	99½
PtOn 8⅝05	80
PtOn 7⅝07	75½
PtOn 8⅝00	80
PtOn 8⅝01	80
PtOn 8⅝81	92⅝
PtOn 7⅝86	77
PtOn 8⅝87	79
PtOn 9⅝88	80½
PtOn 11s90	94
PtOn 10½87	91½
PtOn 12½91	99⅝
PtOn 10⅝94	95⅝
PtOn 11s00	92
PtOn 11⅝97	93½
PtOn 10½88	91½
PtOn 9⅝91	76⅛
PtOn 8⅝92	78½
PtOn 8.2s03	72⅝
PtOn 7½03	70
PtOn 7¾04	70
PtOn 7¾05ZZ	69
PtOn 7¾05A	70
PtOn 9⅝06	83¾
PtOn 9.85s92	95
PtOn 8⅝06	83⅞
PtOn 9½85	92
PtOn 8⅝08	73¼
PtOn 9½09	75
PtOn 9½11	78
PtOn 10½12	87¾
PNwT 8⅝10	81
PNwT 8¾08	81
PNwT 9s12	82
PNwT 8¾18	81¼
PNwT 10⅝19	91¼
PSnAir 6s87	67⅛
PocTT 2⅞86	64
PocTT 4⅝88	61
PocTT 8.65s05	74¼
PocTT 8¾06	75½
PocTT 7.8s07	68½
PocTT 7¼08	64½
PocTT 8⅞80	96 9-32
PocTT 7⅝09	68
PocTT 9½11	79
PocTT 9s81	93¼
PocTT 9.1s84	90¾
PocTT 8⅝15	74½
PocTT 8⅝17	71⅛
PocTT 9⅝14	79⅞
PocTT 9s18	75⅝
PocTT 9⅝18	81
PocTT 9⅝16	81½
PocTT 9⅝19	80¾
Paine 11½99	91
PAA 4½s84	76¼
PAA 4½s86	55½
PAA 5¼s89	54½
PAA 11¼s86	94
PAA 11⅛s86	94
PAA 7½s98	90½
PAA 9⅝s96	103½
PAA 11½94A	93½
PAA 11½94B	94
Pancft 5¼94	71
PatPet 8½92	114
PenC 7s87Af	84⅝
PenC 7s87Bf	82¼
PenC 8s87Xf	68
PenC 8s87Yf	68⅝
PennD 5s82	87
Pencp 10¼97	87
PenyF 7⅞91	73⅝
PnyF 9.4s81	94
PenyF 10.2s94	85
Penny 8⅞95	81½
Penny 9s99	81
PoPL 10½82	95½
Pennzl 7½88	76¼
Pennzl 7⅝88	75⅛
Pennzl 5¼96	139½
Pennzl 8⅝96	77
Pennzl 10⅝83	95½
Pennzl 8⅝01	79
Pennzl 8¼01	77½
PeraM 3¾80	95¼
PcBl 7s14	91¼
PcBl 9.2s10	84
PcBl 8.2s83	88½
PcBl 8¼17	77⅝
PcBl 9⅝16	88¼
PcBl 8.2s87	80½
PcBl 9.2s94	84⅝
PtOn 10.4s89	99½
PtOn 8⅝05	80
PtOn 7⅝07	75½
PtOn 8⅝00	80
PtOn 8⅝01	80
PtOn 8⅝81	92⅝
PtOn 7⅝86	77
PtOn 8⅝87	79
PtOn 9⅝88	80½
PtOn 11s90	94
PtOn 10½87	91½
PtOn 12½91	99⅝
PtOn 10⅝94	95⅝
PtOn 11s00	92
PtOn 11⅝97	93½
PtOn 10½88	91½
PtOn 9⅝91	76⅛
PtOn 8⅝92	78½
PtOn 8.2s03	72⅝

Syndicated Bank Loans

(Continued from Page 15)

...lements, three groups of the ...lest borrowers — Eastern Eu..., oil exporting countries and ...-oil developing countries — ...d banks a total of $243.8 billion ...of last June. These same coun...s had deposits with commercial ...ks totaling $181.1 billion.

Breakdown Unknown

While the breakdown of these de...its is not known, it is a reason...y safe assumption that they are ...centrated in a few dozen major ...ks, those institutions that most ...quently organize new loan opera...s and thus can take a different ...w of the risk of lending to those ...ntries than can smaller banks ...simply participate in such ...ns.

The long-touted cross-default ...use in most loan agreements is ...due for some rethinking. In ef...t, if one loan is declared to be in ...ault, all loans by the same bor...er can be thrown into default — ...process aimed at inhibiting de...lts.

But is this quite the safety valve ...t most participants thought it ...? U.S. banks have voted mostly ...bloc to declare the Iranian debt ...default. Non-U.S. banks are op...ed, perceiving the action as a po...cal move to protect the legal po...on of the U.S. banks in the event ...y are sued in foreign courts for ...cking assets and using those ...ds to set off against debts.

The percentage of participating ...ks needed to declare a default ...ies from 25 to 75 percent, law...s report. The percentage agreed ...on is one of the issues negotiated ...ween the banks and the bor...er.

Bankers expect that many questions arising from the Iranian imbroglio will be settled in court. And awaiting further developments, they are taking a very cautious view of the market.

"It's a time to wait and see," said a Continental banker. Put another way, he admitted, it is a good time to refuse to do new business.

The slowdown would probably have occurred anyway as bankers are convinced the market is turning and conditions will begin to tighten, making new loans more expensive for borrowers. But until a clear trend has emerged, bankers prefer not to bid for new business.

The various loans being organized for Spain, Telefonica and Petrolibre are said to be disappointing. Telefonica, for example, is borrowing $50 million for 12 years at a half point over London interbank offered rate in a so-called club deal although the market had expected it to seek double that amount. The low spread and long maturity are no longer where the market is.

The just completed club deal for Union Electrica, with a margin of ⅝ percent over Libor for the first seven years and a half over thereafter was completed with 11 banks each taking $15 million.

Yugoslav Refinancing

Yugoslavia has informed banks that it is willing to accept their conditions on refinancing $500 million of Yugoslav debt, but it will only accept pricing the loan at Libor. Banks had proposed they have a choice of either ⅞ percent over Libor or ¾ percent over the prime rate of U.S. commercial banks.

Italy's state-owned IMI is seeking to renegotiate $600 million. It is seeking a six-year operation at half a point over Libor, down from ⅞ percent over Libor on the existing transaction arranged in 1974.

Colombia has asked banks to submit bids on a 10-year financing of up to $350 million. The loan will be subject to Colombian law, a turnoff to many foreign banks.

Venezuela has apparently found a face-saving formula to resolve the dispute between its new government and lending banks over subjecting its loan to foreign law. The republic will no longer be the borrower, instead it will simply guarantee the $850 million loan to be taken out in the name of several state agencies. Lawyers are working on rewording the documentation.

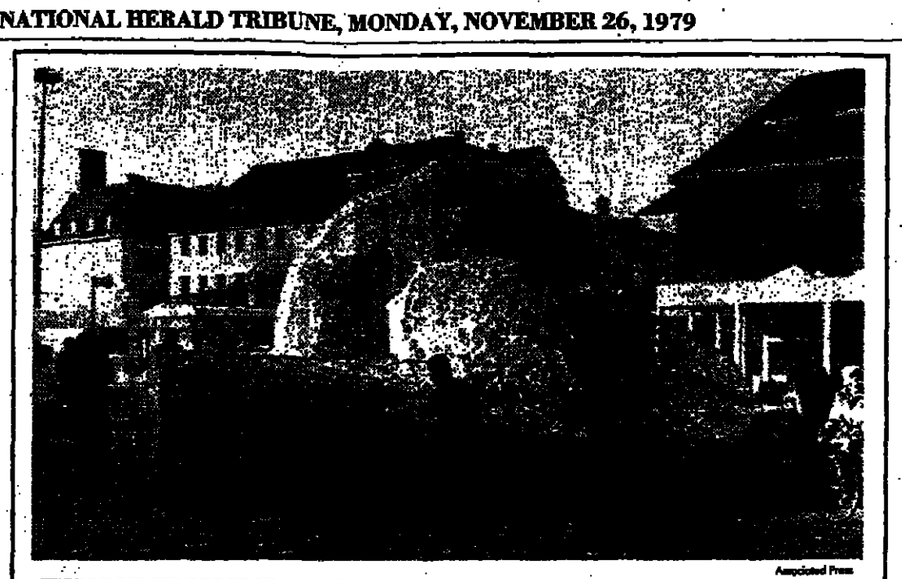
Ivory Coast Credit

Ivory Coast is borrowing $110 million for 10 years at a cost of 1⅝ percent over Libor throughout from a syndicate led by Chase Manhattan. Credit Lyonnais is organizing another $250 million for Ivory Coast plus a credit of 500 million French francs.

In the Philippines, San Miguel Corp., a privately owned brewer, is borrowing $300 million for 12 years. Interest will start at ⅝ percent over Libor for the first eight years, rising to ⅞ percent over thereafter.

The long talked-about operation for Caisse Centrale de Coopération Economique of France is finally surfacing in somewhat reduced form as a club deal financed by two French and two foreign banks. Nevertheless, its terms mark the absolute bottom set during the almost three years of borrowers market. CCCE will take $50 million for 15 years, paying ⅝ percent over Libor for the first five years and half a point over Libor thereafter.

— CARL GEWIRTZ



Associated Press

TYING UP PROBLEMS — A Gordian knot, seven meters high, in Erlangen, West Germany, symbolizes the city's unsolved problems. The project was initiated by the local government and residents have spent five days winding packing cord around the knot's steel frame.

Commodities: Sugar Futures at Record

(Continued from Page 15)

increase interest in sugar futures. Nearby prices have soared 75 percent, from about 9 cents a pound to about 16 cents, in the last three months.

Much of the impetus for that bull market has come from speculators. Predictions of the first world deficit in sugar production in six years have drawn speculator interest, especially after minimum financial or margin requirements were raised on gold and silver futures.

The sugar futures market as a result has become one of the nation's largest, trailing only gold, corn, silver and soybean futures in the number of outstanding contracts.

On the Chicago markets, interest rate futures rose sharply after the government late Wednesday reported a 4.2-percent decline last month in new factory orders for durable goods. The report was seen as an indication that a recession is under way and that interest rates may have peaked, a broker said. Another government report later was expected to show a drop in the nation's basic money supply — another deflationary signal.

On New York's Commodity Exchange Inc., silver futures gained 29 to 32 cents an ounce. The biggest factor was buying by an influential broker believed to represent one of the speculative interests holding big buying positions in silver, an analyst said.

Gold futures edged a few cents higher in dull trading. Many brokers were absent for a four-day Thanksgiving holiday weekend, and there were no unexpected developments in the Iranian situation. Copper futures rose 0.1 to 0.65 cent a pound.

On the coffee, sugar and cocoa exchange, coffee futures were mostly higher — by up to 2.52 cents a pound — amid reports that four member nations of the Bogota group, an alliance of Central American coffee-producing nations, had agreed to try to increase prices by reducing export shipments by 25 percent during the first quarter of next year.

On the Chicago Board of Trade, wheat, corn and soybean futures edged slightly lower in uneventful trade. On the Chicago Mercantile Exchange, profit-taking reduced live cattle futures by 0.2 to 0.43 cent a pound and live hog futures by 0.05 to 0.83 cent.

Short-Term Rates Drop On Eurodollar Deposits

(Continued from Page 15)

which will be sold at par. Individuals can get better yields by purchasing notes in the secondary market and banks, which had been big purchasers of floaters, are reportedly not making significant new commitments until the new year.

The rush to issue floaters in the face of this lackluster demand leads many analysts to conclude that the banks are eager to establish their dollar funding while the market is still liquid and before rates rise even further.

"The question of availability has to be uppermost in the minds of treasurers," said a London-based banker, "against the background of Iran and the fear of an interruption in the flow of international payments."

A Swiss banker said the same basic reasoning was keeping investors out of the market. "The market is overshadowed by the dispute with Iran," he said. "It's a disincentive to do anything — inactivity is the most appropriate reaction."

Iran worries appear to have had just the opposite effect on the Deutsche mark sector. Admittedly the most buoyant news was the government's report that it had completed its borrowing needs for this year. But reports Iran and other oil exporters would seek payment in DM combined to draw foreign investors back to the market.

"Two weeks ago we could hardly give the stuff away," an exasperated dealer complained. Now, demand has picked up so substantially that coupons have been cut on issues on offer.

The most striking was the quarter-point cut to 8¼ percent for Norges Kommunalbank. When first offered most comments focused on the 15-year maturity on how difficult such a long life would make selling such an issue. Priced at par, the issue ended the week at 100¾ bid-101¼ asked.

The 100 million DM, seven-year issue for Nederlandse Gasunie, which had been expected with a coupon of 8¼ percent, was priced at a premium of 100½ on a coupon reduced to 8 percent, cutting the yield to 7.9 percent. Despite this, the issue was quoted at 101-101½.

Meanwhile, a five-year, 100 million-DM private placement for the Austrian Kontrollbank was priced at par with a coupon of 8 percent.

Only two other issues are formally scheduled until the next meeting of the capital market subcommittee late next month, but rumors abound of a very large issue for a supranational borrower, which would not be subject to the usual queue.

The scheduled issues include 100 million DM for Caisse Nationale des Telecommunications, guaranteed by France. The eight-year bullet will carry a coupon of 7⅞ percent and is expected to be sold at a discount of 99¾ so as to yield 7.92 percent. This is expected to be followed by a Brazilian borrower.

Eurobond Yields*
Week Ended Nov. 21
(U.S. Dollars)

International institutions	11.53 %
Industrials, long term	11.56 %
Industrials, medium term	12.09 %
Canadian dollars, medium term	12.88 %
French franc, long term	12.59 %
Unit of acc., long term	9.03 %

* Calculated by Luxembourg Stock Exchange

Market Turnover
Week Ended Nov. 23
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	777.7	589.1	188.6
Eurocl.	2,307.4	1,999.2	308.2

Italy Arrests Briton Holding Rare Stamps

GENOA, Nov. 25 (AP) — Airport police arrested a British man yesterday after they found him in possession of a collection of rare postage stamps estimated to be worth $600,000, officials said.

Police said that they had been alerted to possible smuggling of postage stamps by airport officials. The man was charged with breaking Italian financial laws by failing to state to customs officers that he was carrying the collection.

2 Chinese Aides To Study With U.S. Law Firm

PEKING, Nov. 25 (WP) — Peking authorities struggling with the intricacies of Western law have arranged for the first time to have two Chinese officials undertake a crash course through a U.S. law firm, according to a Washington attorney.

Eugene Theroux, of the Washington office of Baker and McKenzie, said that two Chinese trade officials will go to the United States in February for training at the firm's offices in Washington, New York and Chicago.

Despite Chinese government attempts to write new legal codes and rules for foreign investors, the guidelines so far are general and leave Western lawyers and traders with many questions about how to proceed.

INTERNATIONAL BONDS

(a weekly list of non-dollar-denominated issues)

DM Bonds (average prices)			
...rbed 6¼-87	94.25		
...alat Entwickl. Bk.7-85	94.50		
...ustralien 5¾-89	88.50		
...rasilien 7¾-84	96.00		
...rasilien 6¾-85	91.00		
...C E 7-89	95.50		
...N T 7¼-83	99.00		
...F P 8½-85	101.75		
...F P 6½-84	96.50		
...N P 6-87	90.25		
...uratom 5¾-87	87.90		
...I B 6¾-84	95.00		
...I B 6-89	90.40		
...urofima 8-83	101.75		
...urofima 6½-88	96.50		
...uropart 7-83	99.00		
...uropart 6¼-87	90.30		
...W G 7¼-83	100.25		
...innland 7-87	97.25		
...orsmarks 5¾-90	87.50		
...en Zentralbk Wien 6-87	90.00		
...ydro Ontario 6½-87	94.50		
...A D 7-87	95.00		
...A D 6¼-88	88.50		
...C I 7½-87	99.25		
...C I 6¾-87	93.75		
...ingd of Denmark 6-88	87.50		
...ingd of Denm 5¼-84	92.50		
...obe 6½-87	91.00		
...openhagen 7½-86	97.25		
...ontreal 7-87	96.25		
...euseeland 7½-86	100.50		
...euseeland 7-87	N.A.		
...euseeland 5¼-86	87.25		
...org Kommunalbk 6-89	90.60		
...orpipe 6-89	88.00		
...orsea Gas 7-89	94.50		
...orsk Hydro 6¾-89	93.50		
...esterreich 6¾-85	96.75		
...uebec Province 7½-87	99.00		
...uebec Hydro 6½-87	94.60		
...uebec Hydro 6¼-87	91.00		
...anko Steamship 8½-84	N.A.		
...anko Steamship 7-84	96.50		
...chweden 6-87	89.75		
...ost 6¾-89	93.50		
...eltbank 6¾-87	96.75		
...eltbank 8-82	102.00		
...eltbank 6½-85	90.75		
...eltbank 5¾-90	85.25		
Units of Account DM Basis			
Australia 8-86	144.25	—	
C A 6-86	144.25	—	
Coca 5¾-86	143.50	—	
E.S.B. (Ire) 8¼-86	144.25	—	
Escom 8¼-86	144.25	—	
Manitoba 7-87	144.25	—	
Manitoba 9-82	144.25	—	
Norges 7¾-86	144.25	—	
Apel 9½-85	99.50	101.00	
Cofiroute 9-89	98.50	100.00	
Cop City 7-93	83.00	84.50	
Cop City 8¾-86	97.50	99.00	
Cop City 9¼-85	98.50	100.00	
C.C.A. 9¼-85	99.00	100.50	
Cop Tel 9½-85	99.50	101.00	
Enso 9¼-84	98.50	100.00	
Funen Tel 9-84	98.50	100.00	
G.L.S. 9¾-83	99.50	101.00	
Helsinki 10-83	100.50	102.00	
Iceland 8¼-88	98.00	99.50	
Iceland 9¼-86	98.00	99.50	
Iceland 10-84	99.50	101.00	
Imatran 8½-87	100.00	101.50	
Imatran 9¾-85	98.00	99.50	
Ind M Bk 9½-83	101.50	103.00	
Ireland 9¼-82	99.50	101.00	
Ireland 9¾-84	98.50	100.00	
K.L.M. 7¾-93	91.50	93.00	
Manitoba 9¼-85	99.50	101.00	
Oslo 8¾-92	98.00	100.00	
Oslo 9¼-85	99.50	101.00	
Oslo 10-81	100.50	102.00	
Pechiney 8¾-89	98.00	99.50	
S.D.R. 7-93	83.50	85.00	
S.D.R. 9¼-87	99.50	101.00	
S.D.R. 9¼-85	100.50	102.00	
St. Oil Ind. 8-88	101.50	103.00	
Swed State 9¼-85	99.50	101.00	
Canadian Dollars			
Conoco 9¼-83	88¾	89¼	
Ford 9¼-83	88⅝	89⅛	
GMAC 9¼-83	88½	89	
Hudson Bay 10¼-81	93½	94½	
Manitoba 9¼-85	88½	89½	
Royal Canada 9½-88	83½	84	
Roynat 9½-80	95½	96¼	
Texasgulf 10-86	91¾	92⅛	
Toronto Dominion 9-82	91	91½	
Union Carbide 9¾-86	87	87½	
European Currency Units			
S.Africa 8-86	97.50	99.00	
E.N.E.L. 7¼-86	95.75	96.75	
Interfrigo 7½-86	98.00	99.50	
For trading in DM			
French Francs			
BASF 7½-87			
CNA 9¾-87	93.00	94.00	
CECA 10½-82	95.00	96.00	
Charbonnages 10¼-82	96.75	97.75	
Cim Lafarge 7½-87	75.25	76.25	
Cred Fonc 10¼-82	96.50	97.50	
EIB 7¼-88	74.75	75.75	
Paribas 10¼-82	95.00	96.00	
Peugeot 10-83	92.00	93.00	
Quebec Prov 7½-87	75.75	76.75	
Rhone-Poulenc 10½-80	97.75	—	
St. Gobain 10-80	97.00	—	
World Bank 7¼-87	77.25	78.25	
Guilders			
ABN 8¼-84	96⅝	97	
Amro Bk 7-83	94¼	95	
Australia 8-83	96	97	
E.I.B. 8-84	94	95	
Mees Hope 7¾-82	96	97	
Mexico 8¼-82	95¼	96	
Ned Gasunie 8¾-84	98¼	99	
NMB 8¼-84	95	96¼	
New Zealand 6¾-84	89¾	90¾	
Norway 8¼-84 I	95¾	96½	
Norway 8¼-84 II	96	96¾	
Norway 6½-83	90	90¾	
Austria 9¼-82	98¾	99¾	
OKB 6½-85	87	87¾	
Phillips 7¾-81	96½	97½	
SNCF 9-81	97¾	98¾	
Thyssen 8½-82	99½	100¼	
Luxembourg Francs			
Asian Bank 6¾-87	84.00	86.00	
EIB 7085	88.50	89.50	
Burmah 7-86	83.00	85.00	
Cons. Eur 7-87	83.00	85.00	
Denmark 6¾-87	81.00	83.00	
Gr. Met. Hot 6¾-87	80.50	82.50	
Finland 7-87	81.00	83.00	
ISE 6½-87	84.00	86.00	
Reed 6¾-87	80.50	82.50	
Slater 7¼-87	65.00	—	

Bank Stock Quotations

(Closing Prices of the week's trading.)

Baybanks	30½	31¼
Cleveland Trust Cp.		
N.A.		
Detroit Bank Corporation	24	24¾
Fidelcor Inc.	11⅛	11⅝
First Md. Bncp.	21¾	22½
First Nat. Cinc.	25¼	26¼
Girard Company	23¾	24
Ind Vol Bank & Trust Phil.	19½	20½
Lincoln First Banks	21	21¾
Mellon Nat Bank Pitts.	28¾	29¼
Nat. City Corporation.	41¾	42½
New England Merch. Boston	19¾	20¼
Philadelphia Nat. Corp.	28½	29
Pitts Nat. Bank	39¼	40
Prov. Nat. Corp.	24½	25¼
Secur Pac Corporation		
N.A.		
Shawmut Ass. Boston	31¾	32¾
Sta Str. Bank Boston	22¾	23¾
U.S. Trust New York	19¼	20¼
Un Va Bankshares	24¼	25
Virginia Nat Bnksh	13	13½

Consolidated Trading Of NYSE Listings

Week Ended Nov. 23, 1979.

	Sales	High	Low	Last	Chge
Occident Pet	2,276,400	29⅛	27⅛	29	+2
FordMot	2,037,600	34	29⅝	30¼	—3⅝
IBMs	1,425,600	62½	61¼	62	
GenMotors	1,283,100	53¾	49¾	51½	—2½
GulfOil	1,051,200	36⅛	34⅝	36⅛	+1⅜
Texacoinc	957,600	30½	29½	30⅛	+⅛
Mobils	942,600	53⅞	50¾	52¾	+1⅞
Boeings	924,100	43	41	44⅝	+2⅝
Exxon	907,800	58⅛	56¾	56¾	—1½
GulfWstn	907,100	17½	16¾	17⅛	+⅛
SearsRoeb	885,500	18⅝	17¾	18⅛	+⅛
BallyMfgs	879,800	34⅛	33¼	35⅝	+1
AmerT&T	841,000	53⅝	52½	53½	+⅛
MesaRoyn	824,100	31⅞	28⅝	29	—2¼
Kmart	733,700	23⅝	23⅛	23¾	+½
WilmsCos	701,900	26¾	23⅝	26¼	+3⅛
XerocCp	698,400	60¼	58⅝	58⅝	—⅞
MesaPetr	695,500	52⅝	44¾	51⅞	+7⅝
AmExpress	656,900	30⅛	28	30⅛	+2⅛
CoastStGas	648,300	33½	30⅛	33⅛	+2⅝

Issues Traded In: 2069
Advances: 919 ; declines: 872 ; unchanged: 278
New highs: 117 ; new lows: 233

Volume

This week	128,473,580 shares
Last Week	149,290,000 shares
1978 same week	79,795,910 shares
1979 to date	7,248,812,284 shares
1978 to date	6,628,950,041 shares
1977 to date	4,755,218,812 shares

Kredietlux Indices

(Base 100 May 1, 1977)

	Nov. 9	Nov. 23
UC 17	131.622	131.446
UC 9	93.199	91.256
DM	96.25	95.29
FF	104.194	101.347
P Lux	104.424	104.199

Consolidated Trading Of AMEX Listings

Week Ended Nov. 23, 1979.

	Sales	High	Low	Last	Chge
WashPostB	599,800	21⅛	20⅛	20⅝	+⅛
McCullOil	488,300	9⅛	8	9⅛	+1⅛
DomePetrpe	480,800	43⅝	40⅝	42¼	+2⅝
GulfCons	326,700	98⅛	84¾	98½	+5¼
HouOilM	322,900	20⅝	19½	20⅝	+⅛
PubePtsn	273,700	20¼	18¼	19½	+1⅛
Wainocos	270,900	29½	24⅝	28½	+4½
AnsteCo	264,700	17½	15⅝	17¾	+1¼
WangBs	257,300	30¼	28⅛	29½	+1
ImperOilAp	253,200	38⅝	36⅞	38⅛	+1½

Volume: 15,986,070 shares
Year to Date: 10,440,910 shares
Issues traded in: 964
Advances: 381 ; declines: 387 ; unchanged: 169
New Highs: 44 ; new lows: 50

Treasury Bills

	Bid	Ask	Yld
11-29-1979	11.59	10.77	10.93
12-6	11.13	10.45	10.65
12-11	11.10	10.46	10.65
12-13	10.98	10.48	10.68
12-20	10.89	10.35	10.56
12-27	10.89	10.35	10.58
1-3-1980	11.16	10.76	11.00
1-8	11.24	10.82	11.11
1-10	11.27	10.89	11.19
1-17	11.28	10.94	11.27
1-24	11.33	11.03	11.39
1-31	11.35	11.05	11.43
2-5	11.68	11.26	11.78
2-7	11.56	11.26	11.79
2-14	11.57	11.37	11.82
2-21	11.34	11.24	11.71
2-28	11.51	11.29	11.79
3-4	11.62	11.40	11.96
3-6	11.61	11.41	11.98
3-13	11.56	11.36	11.95
3-20	11.57	11.37	11.99
3-27	11.64	11.36	12.01
4-1	11.65	11.47	12.15
4-3	11.63	11.45	12.14
4-10	11.64	11.48	12.20
4-17	11.68	11.50	12.25
4-24	11.72	11.54	12.32
4-29	11.72	11.56	12.36
5-1	11.68	11.52	12.33
5-8	11.68	11.50	12.33
5-15	11.65	11.47	12.33
5-22	11.44	11.34	12.21
5-27	11.43	11.41	12.31
6-24	11.50	11.35	12.26
7-22	11.52	11.34	12.29
8-19	11.44	11.26	12.25
9-16	11.32	11.16	12.28
10-14	11.13	11.01	12.10
11-6	10.91	10.83	11.95

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National Bank of Abu Dhabi
The National Bank of Kuwait S.A.K.
The National Commercial Bank (Saudi Arabia)
Riyad Bank Limited

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October, 1979

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(Continued from Back Page)

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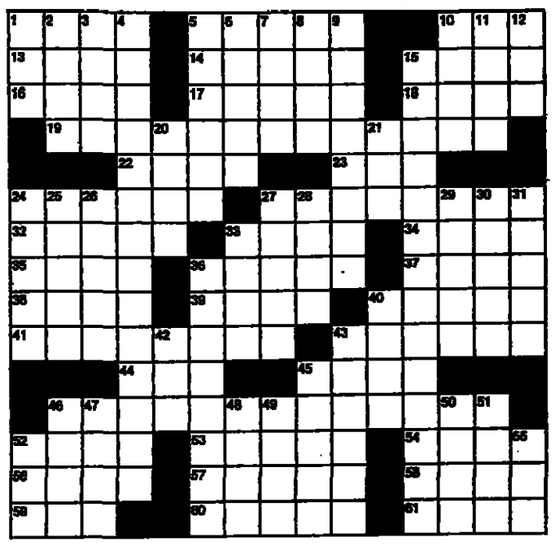

ACROSS

1 Simon or McCartney
5 Comprehend
10 The Red Baron, for one
13 One opposed
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16 Book part
17 Israeli coin
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19 What "checkmate" means
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46 Beatles song: 1967
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59 Hall of Famer Mel
60 More logical
61 Abominable one

DOWN

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4 Reincarnation
5 Oats and corn
6 Vittorio Emanuele's domain
7 Eager
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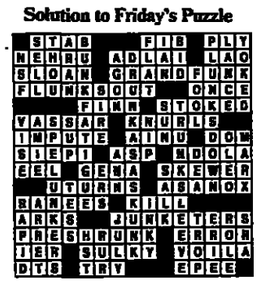
10 Region
11 One of 52
12 Hurricane center
15 Easy, luxurious existence
20 Kristofferson
21 June V.I.P.
24 Tussle
25 Sadat's city
26 Former native of Machu Picchu
27 Trimmed away
28 Nothing, in Nantes
29 Eastwood
30 Trace
31 Javelin
33 Kind of excuse
36 Portents
40 Anthracite, for one
42 Suffix with fish or eel
43 Sowing machine
45 Elm byproduct
46 Aid in crime
47 Word with pan or bowl
48 Ibsen heroine
49 Treasury agent
50 Kismet
51 "L'——c'est moi"
52 Latin beginner's word
55 Wallach

Solution to Friday's Puzzle

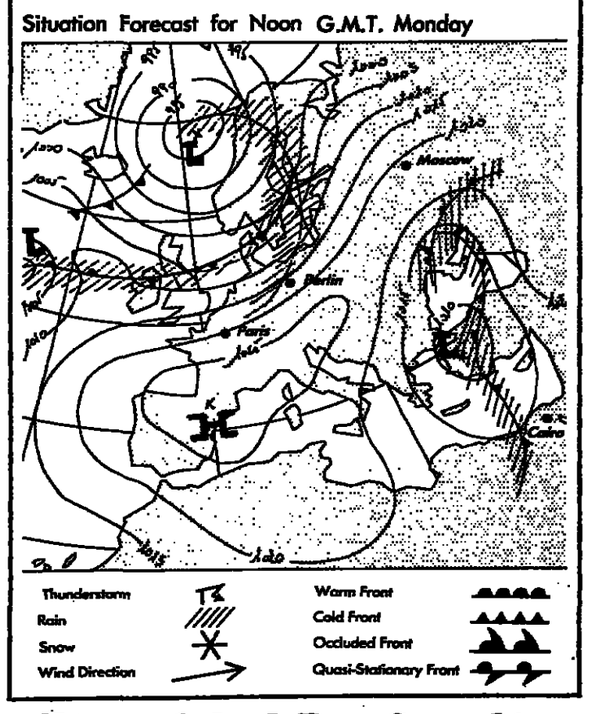


WEATHER

	C	F			C	F	
ALGARVE	15	59	Fair	MADRID	5	41	Fair
AMSTERDAM	5	41	Rain	MIAMI	27	81	Cloudy
ANKARA	12	54	Overcast	MILAN	1	34	Foggy
ATHENS	17	63	Cloudy	MONTREAL	7	45	Cloudy
BEIRUT	24	75	Fair	MOSCOW	0	32	Snow
BELGRADE	4	39	Misty	MUNICH	26	26	Misty
BERLIN	5	41	Misty	NEW YORK	20	68	Fair
BRUSSELS	5	41	Cloudy	NICE	13	55	Fair
BUCHAREST	9	48	Rain	OSLO	−3	27	Cloudy
BUDAPEST	4	39	Misty	PARIS	5	41	Overcast
CASABLANCA	19	66	Fair	PRAGUE	2	36	Overcast
COPENHAGEN	5	41	Rain	ROME	12	54	Misty
COSTA DEL SOL	16	61	Fair	SOFIA	6	43	Rain
DUBLIN	13	55	Rain	STOCKHOLM	4	39	Cloudy
EDINBURGH	11	52	Rain	TEHRAN	16	61	Fair
FLORENCE	11	52	Fair	TEL AVIV	30	86	Misty
FRANKFURT	3	37	Misty	TOKYO	11	52	Overcast
GENEVA	4	39	Misty	TUNIS	14	57	Overcast
HELSINKI	2	36	Overcast	VIENNA	3	37	Rain
HOUSTON	16	61	Cloudy	WARSAW	3	37	Misty
ISTANBUL	14	57	Misty	WASHINGTON	21	70	Cloudy
LAS PALMAS	21	70	Fair	ZURICH	3	37	Misty
LISBON	11	52	Fair				
LONDON	9	48	Overcast				
LOS ANGELES	24	75	Cloudy				

(Yesterday's readings U.S. and Canada at 1700 GMT, Houston and Los Angeles at 2000 GMT; all others at 1200 GMT.)

Situation Forecast for Noon G.M.T. Monday



Chicago Suburb Bans Smooching To Speed Up Commuter Traffic

DEERFIELD, Ill., Nov. 25 (AP) — Laurie Gordon drove with her husband to the train station and gave him a good-bye kiss — a clear violation of the town's no-kissing zone.

The kiss and no-kiss boundaries are clearly marked by signs. The first has a silhouette of a man in a hat and a woman in curlers touching puckered lips. The other is the same picture with a slash through it.

The point of this intrusion into domestic affection is to keep traffic moving at the drop-off point of the Milwaukee Road commuter station in this suburb northwest of Chicago.

The idea developed after the city completed work on a parking lot and put up a bunch of new signs — "one-way, no parking, don't do this, don't do that," said Marge Emery, an assistant village manager.

"One engineer said the traffic was getting clogged by couples kissing good-bye," she said. "So we thought we'd put up a sign outlawing smooching." But, she said, "It's just a joke. Of course, you can't enforce it."

PEANUTS

B.C.

BLONDIE

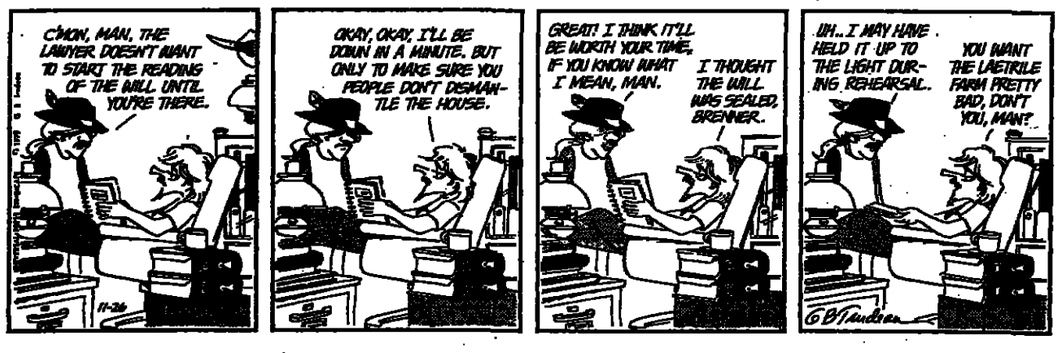
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

DOONESBURY



JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MYLAN

UNEES

FLEEBE

POATTE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A ( ) " ( ) " (Answers tomorrow)

Saturday's Jumbles: SILKY ABOVE MISLAY GENTLE
Answer: What the guys who flirted with the waitress were playing for—BIG STEAKS

"Registered as a newspaper at the Post Office"
"Printed in Great Britain"

DENNIS THE MENACE

"MAYBE WE SHOULD HANG UP SOME OF THOSE TAKE-A-NUMBER TAGS LIKE THEY GOT AT THE BAKERY."

BOOKS

THE PAPERS OF ADLAI E. STEVENSON

Ambassador to the United Nations, 1961-65. Volume VIII.

Edited by Walter Johnson. Little, Brown. Illustrated. 885 pp. $25.

Reviewed by Herbert Mitgang

THE final volume of Adlai Stevenson's papers winds up one of the extraordinary publishing and editing undertakings of recent times. Seldom before — not even with modern presidents — has a public figure's official documents and personal correspondence been opened to general readers in such detail so soon after his death. Stevenson, the Democratic candidate who ran against General and then President Dwight Eisenhower in 1952 and 1956, died in 1965. He is remembered as a presidential loser; but Volume VIII of his papers shows him to be not a defeated man, but the most courageous and loyal U.S. delegate to the United Nations in its history.

This volume is the saddest and yet, in some ways, the most dramatic of all. The title of the last volume of Winston Churchill's wartime memoirs — "Triumph and Tragedy" — comes to mind to describe Stevenson at the United Nations as the representative of Presidents John Kennedy and Lyndon Johnson and the State Department. The triumph was in lending his personality and eloquence to the international organization and keeping alive the hope that it could somehow rise above national interests and prevent aggression and war; the tragedy was that he was frustrated in the role of spokesman rather than policymaker — often for positions he found incompatible with his own.

What makes these documents fascinating to read is that Stevenson was such a remarkable writer, perhaps the best in office since another lawyer from Illinois, Abraham Lincoln. In these papers, he frequently turns to Lincoln's words for example and solace. The period covered here, 1961-65, is one of confrontation: the abortive invasion of Cuba, the missile crisis there, United Nations forces in the Congo, Cyprus, the Egyptian-Israeli border disputes, and racism in Rhodesia and South Africa.

Reading his papers, one notices Stevenson believed in service to his country — plain old-fashioned patriotism — and in the strength of international law. He did not use the world forum for his own advancement. By the time President Kennedy appointed him, his political career was over. He had coveted the job of secretary of state but, the papers make clear, the president did not want a second star in Washington. One of the great might-have-beens is whether he could have helped to contain the hawks' escalation of the war in Vietnam if he had been in Washington instead of New York.

Despite their differences, the speeches and even the private letters in the book show that Stevenson respected the two presidents he served. He fought harder in Cabinet meetings to put across his ideas than is generally realized. A consistent theme runs through the book: the need for arms control and disarmament. Several documents show him out on the limb in meetings advocating less reliance on force of arms in Vietnam and elsewhere.

This volume includes a number of declassified papers from National Security files. For example, there is a letter to President Johnson dated Feb. 17, 1965, when others in the White House, State Department and Pentagon were relying on increased bombing in Vietnam. Here Stevenson writes:

"I do not believe that we should pursue a harder military line with all the risks it involves without, at the same time, making it emphatically clear that we prefer a peaceful solution and that we are ready to negotiate. Moreover, I believe that escalation of the war would diminish our maneuverability and that we should move quickly."

The editor of these volumes, Walter Johnson, a historian who has taught at the universities of Chicago and Oxford and is now at the University of Hawaii, is meticulous in his research. He has interviewed many of the subjects in the book to authenticate points and obtain collateral views. His objectivity appears in a footnote such as this: "Although some classified documents dealing with Vietnam were declassified for this volume, many requests were refused. The editor therefore presents the following recollections," referring to notes taken by Stevenson of a talk with President Johnson, "with considerable trepidation."

The editor is unafraid to make his own interpretations among the Stevenson documents. Here is one: "Some time after President Kennedy's death, Stevenson told Harlan Cleveland that his relations with President Johnson would be better than with Kennedy since Johnson was a man of Stevenson's generation. Although Johnson paid more deference to Stevenson than Kennedy had done, after a few weeks Johnson's presidency their relationship deteriorated."

This final volume is sprinkled with letters to friends from Illinois, from the press and from the charitable and service organizations that occupied Stevenson's time. Some are funny, some silly, many self-adoring — especially to the women he wrote to constantly: Eleanor Roosevelt, Marietta Tree, his daughter Frances Fitzgerald, Barbara Ward and Alicia Patterson.

The last word in the book goes to Eric Sevareid, a friend and CBS News correspondent, who saw Stevenson on the eve of his death in London. Writing in Look magazine, Sevareid concluded that the frustrations of putting his neck out for the expansion of the Vietnam War finally made Stevenson want to leave his UN post. Yet, Sevareid wrote: "If others regarded him as a tragic figure, I don't think he thought of himself that way. If others call his life a failure, I think it was a wonderful success."

Herbert Mitgang is on the editorial staff of The New York Times.

CHESS — By Robert Byrne

OF the games Mikhail Tal produced in his kickoff streak of 5½ points out of six rounds in the Riga Interzonal Tournament, his best, he judged, was his sixth-round victory over the American grandmaster James Tarjan.

One may well wonder why the former world champion preferred this predominantly positional battle to his more glamorous triumph with a matting attack over Lev Polugaevsky. Did Tal think that his slashing up of his countryman was too easy? Did he think that the precision tactics he used to back up his strategy against Tarjan presented a more demanding task to discover over the board? In any case, his Tarjan game was finely played.

The double fianchetto system that Tarjan adopted against the Scheveningen Variation was innocuous and Tal soon took the initiative with 16 . . . P-N5; 17 PxP, NxNP, clearing the QB file and mounting pressure against the backward white QBP.

Tal's center break with 20 . . . P-Q4! invited the advance with 21 P-K5, N-K5!; 22 R-K2 (22 BxN?, PxB; 23 QxP, NxP!; 24 RxN, RxN!; 25 QxR, Q-N2ch; 26 K-N1, RxR yields Black a marvelous two-bishop position), R-B2; 23 P-KB3, N-B4, after which White's attacking chances on the kingside would have been problematic, whereas Black is set for 24 . . . P-R5.

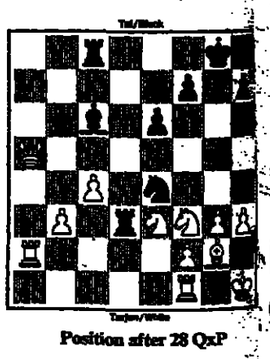
The consequence of Tal's provocative 24 . . . B-N4!; 25 P-B4, B-B3 was to substitute the new backward QNP for the previously backward QBP. Tarjan's 26 N-K3 was, of course, no sacrifice but an attempt to encourage the liquidation 26 . . . QxP; 27 RxRch, RxR; 28 QxP.

The weakness in the white position — Tarjan's third rank — was singled out by Tal's excellent, pressure-packed 27 . . . R-Q6! According to his second, Albert Kapengut, Tal had precisely analyzed the possible variation 28 N-K5, NxNPch; 29 PxN, RxN; 30 NxB!?, RxQ; 31 NxNch, K-B1; 32 NxR, RxRch; 33 BxR, QxP! (33 . . . Q-N2ch; 34 B-N2, QxN; 35 RxP could produce great difficulties because of the connected passed pawns); 34 RxP, Q-Q8; 35 K-N1, Q-Q5ch; 36 K-R1, Q-K5ch; 37 K-N1, Q-K6ch; 38 K-R1, Q-K8! with a decisive fork that picks up a piece and makes short work of the ending.

The point of 28 QxP, NxNPch!; 29 PxN, QxN was that both of Tarjan's flanks came under attack. Defending the queenside with 30 P-QN4 would have allowed 30 . . . N-B4; 31 K-R2, N-Q5; after which 32 R/2-KB2, NxNch; 33 BxN, R-Q7!; 34 Q-QB5 (34 RxR, QxRch; 35 K-N1, Q-K6ch; 36 K-N2, Q-K7ch; 37 R-B2, BxR; 38 RxRch; 35 RxR, QxQ; 36 RxB, BxB; 37 RxB, RxP would have created a winning end game for Black).

With 31 . . . RxNP!, Tal blithely garnered a pawn, daring Tarjan to fall into 32 NxP?, R-B1; 33 Q-B7, N-B4; 34 N-Q8, NxPch. Kapengut pointed out that Tal was ready for 32 RxP?, N-N3; 33 N-N8, R-N8ch; 34 K-R2, Q-B8; 35 RxP, KxR; 36 Q-R7ch, K-R1; 37 Q-Q4ch, P-K4, which would have left White a rook down.

Tal was equally cavalier about snatching a second pawn with 36 . . . QxP because Tarjan's death throes with 37 N-N6, Q-B8; 38 R-Q8ch, K-B2; 39 R-B8ch, K-K3 (39 . . . KxR?; 40 N-Q7ch wins the queen) came to an end with 39 . . . QxQ, RxQ. Two connected pawns down, Tarjan gave up.



Position after 28 QxP

SICILIAN DEFENSE

White Tarjan	Black Tal	White Tarjan	Black Tal
1 P-K4	P-QB4	22 B-K3	R/4-K1
2 N-KB3	P-Q3	23 BxB	RxB
3 P-Q4	PxP	24 N-KR2	B-N4
4 NxP	N-KB3	25 P-B4	B-B3
5 N-QB3	N-KB3	26 N-K3	P-R3
6 P-KR3	P-KR3	27 R-K2	R-Q6
7 B-K2	Q-Q	28 QxP	NxNPch
8 Q-Q	N-Q2	29 PxN	QxN
9 P-N3	B-K2	30 NxB	RxQ
10 B-N2	B-K3	31 NxR	K-B1
11 N/4-K2	Q-B1	32 NxR	RxRch
12 P-KR3	KR-Q1	33 BxR	QxP!
13 K-R1	B-R3	34 N-B2	Q-N2ch
14 Q-K1	P-QN4	35 K/1-K1	QxN
15 N-K3	Q-R2	36 RxR	QxQ
16 B-Q2	P-N5	37 N-N6	Q-B8
17 PxP	NxNP	38 R-Q8ch	K-B2
18 B-Q3	P-QR4	39 R-B8ch	K-K3
19 N-Q4	B-B4	40 QxQ	RxQ
20 N-Q1	P-Q4	41 Resigns	
21 PxP	N/3xQP		

هكذا من الأصل

Oklahoma, Led by Sims, Gets by Nebraska, 17-14

By Gordon S. White Jr.

NORMAN, Okla., Nov. 25 — For the fourth time in 16 years, Nebraska brought a perfect football record into Oklahoma only to go away a loser yesterday as the Sooners came from behind in the second half to beat the Cornhuskers, 17-14, and win the right to the Orange Bowl as Big Eight Conference champions.

Nebraska, which was undefeated and untied through 10 games before its regular-season finale, got the other team's spot in the Cotton Bowl. Oklahoma will meet Florida State, another undefeated and untied team, in the Orange Bowl, on New Year's Day; the Cornhuskers will play the Southwest Conference champion, either Arkansas, Texas or Houston — in the Cotton Bowl.

Billy Sims, last year's Heisman Trophy winner as the outstanding college player in the land, had a spectacular performance in his last home game, before a crowd of 62,700.

The halfback in the ferocious Oklahoma wishbone attack gained 247 yards on 28 carries. He had his longest run of the season with a 71-yard gallop from scrimmage in the third quarter that set up the touchdown that proved to be the winning margin.

However, Sims did not score although he ran 68 yards for a apparent touchdown on Oklahoma's fourth play of the game. The play was called back because Fred Dixon of Oklahoma clipped Rex Means when Sims was in the clear and needed no assistance from his teammates.

Oklahoma ran the ball 59 times and passed only 8 times. However, the Sooners scored their first touchdown on a 58-yard pass from J.C. Leonard to Forrest Valora, the tight end. Darren Watts, who directed the offense so well yesterday, ran the ball from the Nebraska 3 for Oklahoma's last score in the final period.

Michael Keeling kicked a 31-yard field goal early in the second period to give Oklahoma a short-lived 3-0 lead, but the 3 points proved to be important at the end of the game.

Thus, Oklahoma made another shambles of big Nebraska dreams. The Cornhuskers of 1964, 1966 and 1975 beat all of their opponents before going to Oklahoma's Owen Field for the regular-season finale, which they lost.

Nebraska entered this game as the nation's leading team in defense against the rush. Oklahoma, with Sims leading the way, picked up 352 yards on the ground; Nebraska had allowed its previous opponents an average of only 67.2 yards on the ground. This attack by the Sooners' wishbone enabled them to have almost total control of the game as Oklahoma held the ball more than 60 percent of the time.

Tom Osborne, the Nebraska coach, said Saturday, "We didn't think anyone could rush us like that, but they did. I didn't think Billy Sims could gain that many yards against us, but he did."

The Sooners finished the season with a 7-0 Big Eight mark and an overall record of 10-1, the loss being a 16-7 decision to Texas on Oct. 13. Nebraska has a 6-1 Big Eight record.

In other major college football games, as reported by the news agencies:

Texas 13, Baylor 0

At Austin, Texas quarterback Rick McIvor hit Lam Jones with a 50-yard scoring pass and John Goodson kicked two field goals to lead Texas to a 13-0 victory over Baylor.

The Longhorns' defense, rated No. 1 in the Southwest Conference, handcuffed Baylor, which closed the regular season with a 7-4 mark and will meet Clemson in the Peach Bowl on Dec. 31.

Texas limited the Bears to only two first downs and only two penetrations past midfield. Baylor did not get a first down until early in the third quarter.

The Longhorns' victory was tempered, however, by the loss of running back A.J. Jones — the conference's second leading rusher. He injured his left knee in the first half and will be lost to Texas for its final regular-season game against Texas A&M and for a still-undetermined bowl apperance.

Arkansas 31, SMU 7

At Little Rock, Ark., quarterback Kevin Scanlon ran for one touchdown and passed for three to lead Arkansas to a 31-7 victory over Southern Methodist and clinch at least a share of the Southwest Conference title.

Arkansas assured itself of a New Year's Day bowl appearance, either as the host at the Cotton Bowl against Nebraska or at the Sugar Bowl against Alabama or Georgia.

The Razorbacks, who finished the regular season with a 10-1 record and 7-1 in the conference, took advantage of early SMU mistakes to take a 17-0 lead in the first quarter. They were never in danger thereafter.

Houston 14, Texas Tech 10

At Houston, second-string quarterback Terry Elston sprinted 72 yards for a touchdown with 11:21 left to play and Terald Clark rushed for a career-high 167 yards on Friday, rallying Houston from a 10-0 third-quarter deficit to a 14-10 victory over Texas Tech.

The triumph lifted the Cougars, 9-1 overall with one game remaining, into a share of the Southwest Conference lead with Arkansas and offset a record-setting 199-yard rushing effort by James Hadnot, who set Texas Tech single-season and career marks.

USC 49, UCLA 14

At Los Angeles, Charles White gained 194 yards and ran for 4 touchdowns — all in the first half — and quarterback Paul McDonald passed for a touchdown to lead the University of Southern California to a 49-14 victory over UCLA, sending Southern California to the Rose Bowl against Ohio State.

White, the nation's leading rusher, scored on runs of 2, 1, 2 and 26 yards. McDonald, ranked No. 3 in the nation in passing, completed 17 of 23 passes for 199 yards and the touchdown.

White finished the regular season with 1,803 yards, giving him 5,598 for his career, second in NCAA history to Tony Dorsett's 6,082. It was the 30th game in which White ran for more than 100 yards and his four touchdowns gave him 52 in his career to tie Anthony Davis' Southern Cal and Pac-8 record.

Brigham Young 63, San Diego 14

At San Diego, Marc Wilson passed for four touchdowns and ran for another and Brigham Young University, the nation's top offensive team, showed its defensive ability by intercepting five passes and forcing two fumbles in a 63-14 rout of San Diego State that gave the Cougars the Western Athletic Conference championship.

The victory sent Brigham Young to the Holiday Bowl against Indiana University.

Wilson completed 13 of 21 passes for 278 yards and set an NCAA record for passing yardage in a season with 3,720.

Georgia 16, Georgia Tech 3

At Atlanta, record performances by placekicker Rex Robinson and defensive back Jeff Hipp gave Georgia a 16-3 victory over Georgia Tech and kept the Bulldogs' Sugar Bowl hopes alive.

Robinson, a junior, kicked three field goals — of 35, 32 and 30 yards — to raise his Southeastern Conference career record to 40. Hipp intercepted three passes to tie a conference single-game record.

Georgia had agreed before the game that it would give up its chance to go to the Sugar Bowl if it lost to Georgia Tech but now must wait until after next Saturday's Alabama-Auburn game to learn who gets the bowl invitation. If Alabama beats or ties Auburn, it wins the SEC title and the Sugar Bowl berth. If Alabama is upset by Auburn, Georgia would be the SEC co-champion and the league's Sugar Bowl representative.

Tulane 24, Louisiana State 13

At New Orleans, quarterback Roch Hontas of Tulane baffled the Louisiana State secondary for three first-half touchdowns to lead Tulane to a 24-13 upset.

Hontas, who completed 23 of 50 passes for 248 yards, passed for touchdowns of 13 and 17 yards in the first half in leading Tulane to only its second victory over LSU in 30 years; Tulane last won in 1973.

LSU averted a shutout by scoring twice in the final 11 minutes after the outcome was decided as Tulane finished with a 9-2 record, its finest in six years.

College Scores

FRIDAY

South

Florida St. 27, Florida 14

Southwest

Houston 14, Texas Tech 10

SATURDAY

East

Boston Coll. 41, Massachusetts 3
Holy Cross 28, Connecticut 12
Temple 42, Villanova 10

South

East Carolina 38, Wm. & Mary 14
Georgia 16, Georgia Tech 3
Maryland 17, Virginia 7
Memphis St. 22, Cincinnati 17
Mississippi 14, Miss. St. 9
North Carolina 27, Duke 14
South Carolina 13, Clemson 9
Tennessee 38, Kentucky 17
Tulane 24, Louisiana St. 13

Midwest

Missouri 55, Kansas 7
Oklahoma St. 13, Iowa St. 10

Southwest

Arkansas 31, SMU 7
New Mexico 17, Wyoming 3
Oklahoma 17, Nebraska 14
Texas 13, Baylor 0
Texas A&M 38, TCU 7
Texas-Arlington 48, Idaho St. 0

West

Arizona 27, Arizona State 24
Brigham Young 63, San Diego St. 14
Colorado 21, Kansas St. 6
Hawaii 24, Colorado St. 10
Notre Dame 40, Miami, Fla. 15
Oregon 24, Oregon St. 3
So. Calif. 49, UCLA 14

Trick Guard-Around Play Early Wins for Nebraska

By John Feinstein

NORMAN, Okla., Nov. 25 (WP) — The third-ranked college football team in the United States used a high-school play here yesterday and it almost salvaged a game.

With a third down and 14 yards to go on the Oklahoma 15-yard line and 1:53 left in the game, Nebraska's coach, Tom Osborne, called a play he had seen high school teams use during scouting trips.

Quarterback Jeff Quinn took the snap from center Kelly Saalfield, turned and placed the ball on the ground behind him. As Quinn sprinted straight ahead without the ball, guard Randy Schleusener pulled from his spot on the right side of the line and picked the ball up.

As the defense confused, Schleusener was able to dash into the Oklahoma end zone to cut the gap to 17-14.

Under the rules, Schleusener could pick the ball up because, technically, Quinn had fumbled. In college football, although the defense may not recover a fumble once it hits the ground, the offense can. Thus, Schleusener was credited with a 15-yard touchdown run with a recovered fumble.

"We talked to the officials about the play before the game," Osborne said. "They told us they would understand it was legal if we used it.

"We never run it before, except in practice. I first saw it used in high school games. I've seen it used there several times."

"I think it took us by surprise," Oklahoma's coach, Barry Switzer, said. "We scored a touchdown on it didn't they? Can't say I remember ever seeing it in college before, but I guess we might see it again in the future."

Schleusener said he was not surprised to hear Quinn calling the play in the huddle. "The time was right," he said. "We needed a big play and it was a good time to try something different, something they hadn't seen. We figured at worst it would pick up enough yards to give us a reasonable chance to pick up the first down."

Schleusener, who had never scored a touchdown before, said the thrill was all his. "We still needed three more," he said, "and we never got them."

Eskimos Keep Grey Cup, Beating Alouettes, 17-9

MONTREAL, Nov. 25 (UPI) — Moon came off the bench to throw a 33-yard touchdown pass in the third quarter here today as the Edmonton Eskimos to a victory over the Montreal Alouettes and their second straight Grey Cup, symbol of the Canadian Football League championship.

Moon, heir-apparent quarterback to veteran Tom Wilkinson, led the slumbering Eskimo offense after the Alouettes had rallied from a 9-7 lead on a field goal by Dave Ceet early in the third quarter.

The hero of Washington's 1978 Super Bowl triumph over Michigan, Moon promptly marched the Eskimos 75 yards to the go-ahead touchdown, completing passes to Waddy Smith and Brian Kelly before finding Tom Scott with a perfect pass in the corner of the endzone. Placekicker Dave Cutler added the conversion to give the Eskimos a 14-9 edge.

Seven minutes later, Moon, who along with Jim Wilkinson directed the most effective passing attack in the league this season, set up a 38-yard field goal with a 21-yard pass to Smith and a 12-yard completion to Kelly.

Majority Victory

A crowd of 65,113 watched the Canadian Grey Cup showdown between the two teams, the class of the CFL for the last six years. It was Edmonton's third victory over the Alouettes in five Grey Cup meetings since 1974.

Edmonton was favored in the game. The Alouettes won, 41-6, in the Grey Cup here two years ago and the Eskimos won, 20-13, in last year's championship at Toronto.

"I can tell you right now we'll come out throwing the football," said Edmonton's star running back, Jim Germany, before the championship.

"We'll throw it for about 95 percent of our offense," Germany said. "I think we'll have running plays just to sort of rest the receivers in between their patterns and let them catch their breath.

"It'll be a tough defensive struggle but we'll do anything it takes, just about, to win. If we need to run the ball more than usual, we'll do it. I can tell you our strength is our passing game so you'll see them pass the ball. I really don't expect to carry the ball that much."

The Alouettes, on the other hand, planned to stick to their running game, which produced a net 2,752 yards during the season. This included 1,678 by David Green, who was named as the league's player of the year.

Transactions

BASKETBALL

National Basketball Association

ATLANTA HAWKS—Traded Terry Furlow, guard, to the Utah Jazz for a 1981 second-round draft choice. Signed Sam Pellom, center, to a multiyear contract.

UTAH JAZZ—Waived Andre Wakefield, guard.

WASHINGTON BULLETS—Activated Mitch Kupchak, forward.

HOCKEY

National Hockey League

BUFFALO SABRES—Sent Dave Schultz, left wing, to Rochester of the American Hockey League.

ST LOUIS BLUES—Sent Rick Bowness, right wing, to Salt Lake of the Central Hockey League.

Wins on KO

WASHINGTON, Nov. 25 (UPI) — Tall Jones, the former Dallas Cowboy defensive end, won his successive professional fight tonight, knocking out Fernando Montes, a Mexican heavyweight, 41 seconds into the first round.

United Press International

Ken Stewart of the All Blacks fights for the rugby ball with Mike Rafter of England, in white.

Bills Upset Patriots, 16-13

From Agency Dispatches

FOXBORO, Mass., Nov. 25 — Nick Mike-Mayer, set up on a 51-yard pass from Joe Ferguson to Jerry Butler, kicked a 24-yard field goal at 9:15 of overtime here today as the Buffalo Bills defeated the New England Patriots, 16-13, in a National Football League upset.

Ferguson forced the overtime by passing 11 yards to wide receiver Lou Piccone for a touchdown with 11 seconds remaining in regulation time.

The victory was Buffalo's third in a row, and avenged a loss at home to the Patriots while boosting its record to 7-6.

The loss was a bitter blow to the Patriots, 8-5. A victory would have given them a shot at clinching the AFC East Division championship with a triumph in Miami on Thursday night.

New England won the toss in overtime but each team failed to move on its first possession. The Patriots then drove 48 yards to the Buffalo 32, where on fourth down, Bills' rookie linebacker Jim Haslett intercepted Steve Grogan's pass and returned it to the Buffalo 42.

Giants 14, Redskins 6

At East Rutherford, N.J., Billy Taylor capped a brilliant second-half performance with a 1-yard scoring plunge midway through the fourth quarter to give the New York Giants a 14-6 victory over the Washington Redskins.

Taylor gained 98 of his 126 yards in the second half and carried on nearly every play in the Giants' final 78-yard scoring drive. Doug Kotar scored New York's first touchdown on a 1-yard run in the first period.

The Redskins were limited to Mark Moseley's field goals of 21 and 41 yards. After Moseley's 41-yarder left the Redskins trailing, 7-6, Taylor carried 13 of the 14 plays in the Giants' drive, accounting for 74 of the 78 yards covered — including 4 first downs.

Bengals 34, Cardinals 28

At Cincinnati, Ken Anderson threw touchdown passes of 43 and 19 yards to Isaac Curtis while Pete Johnson ran for two scores to boost the Cincinnati Bengals to a 34-28 victory over the St. Louis Cardinals.

Chris Bahr added to the Bengals' scoring with field goals of 38 and 33 yards in the free-wheeling affair between two teams who have 3-10 records.

Three of the four Cardinal scores came on the passing of Jim Hart. He threw touchdown passes of 37 yards and 51 yards to Pat Tilley and a 3-yarder to Wayne Morris. St. Louis' final score came in the last period on a 30-yard run by Theotis Brown.

Saints 37, Falcons 6

At Atlanta, Archie Manning passed for 263 yards and the New Orleans defense produced six turnovers and recorded five quarterback-sacks as the Saints routed the Atlanta Falcons, 37-6.

The Saints surged to a 24-0 lead in a 10-minute span of the first half that settled the issue early on a rain-soaked field.

Wes Chandler's one-handed catch of a 27-yard pass from Manning at the Atlanta 25 set up the Saints' first score of the day, a 2-yard run by Mike Strachan late in the first quarter, and Chandler also had receptions of 28 and 22 yards in a 64-yard drive that ended early in the second quarter on Chuck Muncie's 14-yard run.

Vikings 23, Buccaneers 22

At Tampa, Fla., Minnesota's defense blocked two Tampa Bay extra points and a field goal and Viking quarterback Tommy Kramer passed for three touchdowns here today to lead Minnesota to a 23-22 upset victory over the Buccaneers.

With 19 seconds left in the game, Tampa had a chance to tie the game when quarterback Doug Williams found his receivers covered and scrambled his way past defenders 13 yards into the end zone for a touchdown. However, Neil O'Donoghue's extra point kick was blocked by linebacker Wally Hilgenberg.

Kramer did not get the Vikings moving until nearly midway through the game, when Tampa was ahead, 9-0.

Then he connected with Terry LeCount for a 21-yard touchdown pass with 1:49 left in the half. A minute and a half later he hit veteran receiver Ahmad Rashad on a 32-yard scoring pass.

In the third period, Kramer finished with a three-yard pass to running back Rickey Young in the end zone. Rick Danmeier rounded out Minnesota's scoring with a 44-yard field goal in the third period.

Tampa's Ricky Bell, who went over the 1,000-yard rushing mark today, opened the scoring for the Bucs on a 2-yard run.

Pershing Champion Of Europe's Trotters

MILAN, Nov. 25 (UPI) — Pershing won the European trotting championship here today by taking first place over The Last Hurrah in the Grand Prix of the Nations, 12th race of the international trials.

Pershing took the early lead in the 2.1-kilometer race, finishing the first lap of the San Siro track in dense fog slightly ahead of Hadol du Vivier.

By the finish, Hadol du Vivier had faded and The Last Hurrah began closing Pershing's advantage but could not catch the champion. Gibson finished third and Hadol du Vivier was fourth.

NHL Standings

CAMPBELL CONFERENCE

Patrick Division

	W	L	T	Pts.	GF	GA
Philadelphia	15	1	3	33	96	59
Atlanta	11	7	3	25	79	61
NY Rangers	9	11	1	19	85	90
NY Islanders	6	9	4	16	69	70
Washington	4	15	3	11	68	93

Smythe Division

	W	L	T	Pts.	GF	GA
Vancouver	9	8	5	23	76	72
Chicago	7	7	6	20	52	54
St. Louis	7	11	4	18	63	82
Winnipeg	7	11	3	17	51	80
Edmonton	3	12	6	12	70	96
Colorado	4	13	3	11	56	74

WALES CONFERENCE

Norris Division

	W	L	T	Pts.	GF	GA
Montreal	13	5	3	29	781	56
Los Angeles	9	8	5	23	92	91
Pittsburgh	8	7	4	20	65	67
Hartford	6	7	6	18	62	59
Detroit	6	10	3	15	52	62

Adams Division

	W	L	T	Pts.	GF	GA
Boston	14	3	3	31	77	51
Buffalo	12	6	3	27	80	59
Minnesota	10	4	5	25	85	64
Toronto	8	10	2	18	72	68
Quebec	7	10	3	17	64	72

Friday's Results

Philadelphia 5, Vancouver 2 (Leach (15), Hill (3), Clarke (4), Propp (11), Bridgman (3); Blight (9), Gradin (6)).

Colorado 5, Detroit 2 (Valiquette (5), Delorme (4), Pierce (4), DeBlois (9), Robert (7); Polonich (1), Thompson (9)).

Atlanta 4, Pittsburgh 1 (Unger (4), Rouleau (2), Provost (8), Nilsson (12); Schutt (3)).

Saturday's Results

Buffalo 6, Washington 1 (Gare 2 (13), Smith (7), Perreault (14), Martin 2 (9); Charron (2)).

Pittsburgh 5, New York Rangers 3 (Lee (4), Marshall 2 (5), Kehoe (7), Sheppard (5); Duguay (7), Hedberg (13), Bothwell (1)).

Chicago 2, Toronto 1 (Lecuyer (2), Logan (1); Sittler (11)).

Montreal 3, Boston 1 (Larouche (15), Shutt (12), Savard (1); Secord (4)).

Quebec 4, Hartford 4 (Leduc 2 (7), Goulet (4), Tardif (5); Stoughton (12), Carroll (2), Rogers 2 (8)).

Philadelphia 2, Edmonton 2 (Linseman (7), MacLeish (12); Colliphen (8), Weir (11)).

Winnipeg 5, Vancouver 3 (Stemler (5), Sieberg (1), Lukowich (6), Mann (1), Drolin (3); Gradin (7), McCarthy (2), Derlago (4)).

Detroit 3, Minnesota 3 (Mahovlich (3), Lobraaten (6), Polfano (6); Younghans (1), Meaney (2), Eaves (1)).

St. Louis 4, Colorado 3 (Crombeen (2), Babych (7), Sutter (7), Paley (3); Robert (8), DeBlois (10), Valiquette (6)).

New York Islanders 4, Los Angeles 4 (Henning (1), Trottier (13), D. Potvin (3), Bossy (14); Holward (7), Simmer (18), Jensen (8), Taylor (15)).

All Blacks Beat England, 10-9

By Bob Donahue

LONDON, Nov. 25 (IHT) — England lost again. Sterile English rugby heroics yielded a mere three penalty goals yesterday against a try and two penalties for New Zealand, which was little better. The play was as close as the score, 10-9.

Graham Mourie's modest but efficient All Blacks leave for home tomorrow, proud to have won the big one after beating Scotland and losing one of their eight lesser games. All in all, Mourie said last night, New Zealand's tenth tour in the British Isles since 1905 "was an experience money can't buy."

Along with England, the game of rugby was the loser, too — unless international matches are supposed to be enjoyed mainly by connoisseurs of bruising dogfights at the lineouts, convulsing heaps of highly trained forwards in failed rucks, and rugged tackling by all.

The All Blacks were under grim pressure to keep open an undefeated streak in major matches in Britain and Ireland that now numbers 21 games in the 26 years since Wales won in Cardiff at the end of 1953.

Never Caught Up

Mourie's men took the lead in the second minute on Richard Wilson's first penalty kick. Early in the second quarter, it was again a high punt by scrumhalf Dave Loveridge toward Bernie Fraser's left wing that led to a New Zealand score, this time a try by lock John Fleming. Wilson missed the conversion, but it was 7-0 and England never caught up.

English pressure in the third quarter took the score from 10-3 at the half to 10-9, which meant that fullback Dusty Hare had victory at the tip of his right foot when he took his sixth and last penalty kick, 42 meters out and slightly to the left. Seven minutes were gone in the last quarter of world rugby's last major match of the 1970s. The crowd hushed in a reverent hiss. Hare kicked short.

Now Mourie and 165-pound Loveridge accelerated, in what Mourie later called a final burst of "heart." England had heart as well, but England was on the ropes. When referee Norman Sanson, a Scottish stickler, blew the last whistle, New Zealand had wheeled yet another English scrum, and English backs had lost the ball yet again.

So shoddy were the rare passing movements that two forwards, hooker Peter Wheeler and flanker Tony Neary, stood out as England's best attackers. New Zealand's fierce Fraser was the only dangerous runner on a clear and dry Twickenham afternoon.

Kicks Missed

Lock Andy Haden was a man and a half for New Zealand most of the time, despite strong lineout opposition from England's Maurice Colclough.

Between them, Wilson and Hare who scored most of the day's points with their 5 penalty kicks, nevertheless missed 8 of 13 placekicks and all 3 of their drops.

English captain Bill Beaumont said afterward that his problem had been failure to stay deep enough long enough in New Zealand territory. He might as well have said: failure to convert ball-winning feats into points. The lopsided discrepancy between sweat and scores was staggering.

Applause, when there was any, was usually for hard-driving rucks, long punts out of defense, or the bravery of an isolated back waiting under a high kick as the opposition roared down on him. But relentless kicking away of attack ball by England's new standoff, 5-foot-6-inch Les Cusworth, drew groans.

Still, Budge Rogers, the chairman of England's selectors, observed that losing to New Zealand by only one point was an encouraging start to England's season.

By coincidence, the weekend brought a book from Sunday Times correspondent John Hopkins in which Andre Boniface, the French master attacker of the '50s and '60s, calls inadequate backfield coaching "the drama of rugby in the world today." Included in the price of progress toward a more imaginative game, he says, is "a willingness to fail and to start again . . . a willingness even to lose."

Both sides took the day's sterility in stride. It was "dull for spectators," admitted Rogers. Yet he felt "highly encouraged" by England's performance. Only one try (and scarcely a sustained attack) to show a crowd of almost 70,000 and millions of television viewers? "That's rugby at the international level," said the New Zealand manager, Russ Thomas.

England finishes the '70s with 15 victories in its 50 major games. Perhaps more than other rugby communities, the English have failed to provide the training, encouragement and leadership off and on the field that might bring the play of backs up to the respectable levels achieved by forwards. That point might have been obscured if Hare had connected with his last kick.

No Decision Yet On Lions' Tour

LONDON, Nov. 25 (UPI) — Rugby officials postponed a decision today on whether to send the British Lions on a controversial tour of South Africa next year.

Fears have been expressed that the tour could spark a black African boycott of the 1980 Olympic Games in Moscow and endanger British participation in the Games. A similar rugby tour of South Africa by the All Blacks of New Zealand resulted in the boycott of the 1968 Games in Montreal.

Rugby sources said the four-nation Rugby Union Tour Committee, which met today, probably postponed its decision because the British Sports Council plans to send a fact-finding mission to South Africa early next year.

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct.	GB
Boston	15	4	.789	—
Philadelphia	15	7	.682	1½
Washington	9	9	.500	5½
New York	10	11	.476	6
New Jersey	7	14	.333	9

Central Division

	W	L	Pct.	GB
San Antonio	12	9	.571	—
Atlanta	13	10	.565	—
Houston	10	10	.50	1½
Indiana	10	13	.435	3
Cleveland	9	14	.391	4
Detroit	7	13	.350	4½

WESTERN CONFERENCE

Midwest Division

	W	L	Pct.	GB
Milwaukee	15	6	.714	—
Kansas City	11	12	.478	5
Denver	8	15	.348	8
Chicago	6	17	.261	10
Utah	2	18	.100	12½

Pacific Division

	W	L	Pct.	GB
Portland	16	7	.696	—
Seattle	14	7	.667	1
Phoenix	15	8	.652	1
Los Angeles	14	8	.636	1½
Golden State	10	11	.476	5
San Diego	9	14	.391	7

Friday's Results

Seattle 94, Portland 98 (Shelton 23, Sikma 19, Williams 19; Lucas 17, Owens 16, Brewer 16).

Kansas City 107, San Diego 91 (Birdsong 36, Ford 24; Free 32, Nater 14).

Phoenix 126, Los Angeles 112 (Westphal 25, Robinson 23; Johnson 25, Wilkes 22).

Chicago 103, Atlanta 98 (Theus 27, Greenwood 20; Drew 26, Criss 13).

Detroit 119, Milwaukee 100 (Long 27, Lanier 25; Winters 21, Benson 14).

San Antonio 128, Washington 108 (Giles 35, Kenon 21; Dandridge 22, Pressley 21).

Philadelphia 113, Houston 102 (Erving 41, B. Jones 25; Malone 17, Murphy 14, M. Jones 14).

Boston 118, Indiana 103 (Bird 30, Carr 19; Davis 28, M. Johnson 18).

Saturday's Results

New York 123, Cleveland 113 (R. Williams 29, Knight 22; Robisch 24, Russell 22).

Indiana 115, Detroit 97 (M. Johnson 23, English 20; McAdoo 30, Lanier 22).

Boston 108, Atlanta 101 (Cowens 28, Maxwell 22; Drew 24, Johnson 21).

Philadelphia 91, New Jersey 82 (Dawkins 22, Bibby 17; Kelley 14, Newlin 15).

Golden State 106, Chicago 101 (Parish 22, Lucas 19; Greenwood 31, Theus 25).

Phoenix 115, Denver 101 (Davis 40, Adams 22; Issel 26, C. Scott 19).

Washington 105, Houston 103 (Hayes 30, Porter 18; Murphy 32, Malone 22).

Last of the Old Mets and Perhaps First of the New

By Joseph Durso

NEW YORK, Nov. 25 (NYT) — When the baseball season opened in 1962, Ed Kranepool cut classes at James Monroe High School in the Bronx and went straight to the Polo Grounds. Hundreds of other 17-year-olds probably did the same thing that April afternoon, but not with Kranepool's style or opportunity. He was the guest of the new team in town, the New York Mets.

Now, 18 summers later, Kranepool has delivered more hits, more extra-base hits, more runs and more home runs than any other player in Mets history. He has gone to bat as a pinch-hitter more than 300 times and responded with 90 hits, placing him in the front half-dozen pinch-specialists in baseball history. And he has just turned 35, and played out his option.

So, while Joan Payson's ballclub is being sold by her heirs, Joan Payson's pet player is cutting his last links to the days of George Weiss, Casey Stengel and the original Mets. He is a free agent, and his future is as uncertain these days as the ballclub's.

Can Go Both Ways

But life is strange, and Kranepool sees two ways open for him to return to the one and only team he has ever played for in the big leagues, provided the team is sold on schedule this winter: He could return as a player for the new management, or he could return as part of the new management. None of the 20 other prospective buyers of the Mets can make that statement.

"My first priority is to stay in New York, either way," Kranepool was saying at his home on Long Island. "I can still remember when they signed me on the dining room table. Johnny Murphy and Bubba Jonnard, the scout, came to my house at 847 Castle Hill Avenue, and we signed the contract. I got $85,000 for one year, and that included the bonus and salary and everything.

"Joan Payson was like a grandmother to me and to everybody else. She ran it like a family. She always made certain she'd attend the Christmas parties, she had a smiling face and a happy hand. When she died four years ago, things changed. I still feel that if she had lived, people who had been loyal would have stayed: Eddie Yost, who was dropped as a coach and went to the Boston Red Sox; maybe Buddy Harrelson, who wanted to be a coach here. Maybe even myself."

The people who direct the Mets these days are not amused that Kranepool was heard this year criticizing the club he hoped to run. They point out that he hit only .232 as he neared his 35th birthday, and they report that they offered him a one-year contract at $100,000, the same money he is making now.

But he would still have to make the team next season to get the money. And to Kranepool, who wants $150,000 a year for two years, that's too big a risk. He has been fussing with Joe McDonald, the general manager, and is not sure that he would survive spring training.

"I can still hit," he was saying, "but I don't know if the Mets realize I can hit. A management and a club can diminish a player by not using him, they can rust his skills. I'd say that since the middle of 1977 I've been diminishing. That's when Joe Torre asked me to sit down for the second half of the season so he could evaluate the kids on the team. I was hitting .290 at the time.

"That winter, I even had operations on both feet, a bunion problem, because Joe Torre said I'd be playing every day in 1978. Then they made the trade for Willie Montanez, and I was shocked. Even then I was told that Willie would play the outfield a lot. But he didn't. He played first base, and I sat some more.

"This year, I hardly played for the first half and my pinch-hitting suffered. It was atrocious. I was hitting about .160, but if you only play once a week or so, you can't hit. Then Steve Henderson got hurt and I started playing regularly. From late July until the second week in September, about a six-week span, I added more than 70 points to my batting average. You get attuned, you even pinch-hit better."

But, having gone to bat 87 times as a pinch-hitter the last two seasons, Kranepool saw the handwriting on the wall as his contract came to an end this year. He says there was "nothing on the table" when the season closed, so he went into the free-agent market, was selected by nobody and finally was free and unemployed.

Signs of Interest

His agent, Richard Moss, just swung a $1-million-a-year package for Nolan Ryan, another distinguished alumnus of the Mets. And Moss told Kranepool not to worry. Four clubs are now showing interest, and even the Mets might come back into Kranepool's life when the management changes.

Kranepool remains so nostalgic about the Mets that he even defends M. Donald Grant, the former chairman of the board, who has been belabored by people tracing the decline of the team.

"If Grant was still running the club," he said, "I believe that I'd have a job in the office. If he buys the club, I still might. He got a bad rap. He never went back on his word to me. I signed my last contract with him, a three-year contract and I signed it in two minutes. I just signed a blank contract and told him to fill in the numbers."

Grant filled in $100,000, and that was the most money Kranepool ever made with the Mets. But the days of signing blank contracts are gone. So are the days of Joan Payson and the original Mets, and the best days of Ed Kranepool, after 1,853 games.

"What do I remember most?" Joan Payson's pet player asks. "Opening day, 1963, coming north with a big league club for the first time and starting the season in right field. I was 18 years old."

Red Sox Will Sign Lockwood of Mets

BOSTON, Nov. 25 (AP) — Skip Lockwood, a relief pitcher who played out his option while nursing a sore arm with the New York Mets this year, has agreed to terms with the Boston Red Sox.

It was believed the Red Sox raised their original offer of $600,000 for four years, possibly giving Lockwood another $100,000 as a bonus for signing. Lockwood, 33, had a 2-5 record and 9 saves with the lowly Mets this year before being sidelined by arm trouble in June.

Putnam of Rangers Tops Rookie Team

NEW YORK, Nov. 25 (AP) — Pat Putnam, first baseman of the Texas Rangers, was the leading vote-getter for the 1979 major league rookie all-star team. Putnam collected 571 votes, edging third baseman John Castino of the Minnesota Twins, who received 568 in the annual balloting by sports writers.

Others chosen to the team were second baseman Danny Ainge of the Toronto Blue Jays, shortstop Alfredo Griffin of Toronto, outfielders Jeff Leonard of the Houston Astros, Scot Thompson of the Chicago Cubs and Billy Sample of Texas, catcher Steve Nicosia of the Pittsburgh Pirates, right-handed pitcher Mark Clear of the California Angels, and left-handed pitcher Ross Baumgarten of the Chicago White Sox.

Observer

Candidate of Parts

By Russell Baker

NEW YORK — A New York man writes that articles he reads about Senator Kennedy and his advisers invariably describe them as "tough-minded" and "high-powered." He believes "high-powered" refers to their cars, "but for the life of me," he says, "I cannot understand what it means to have a 'tough mind.'" He requests explanation.

Baker

An attempt to help him led to the firm of Guile, Craft and Bluster, custom campaign tailors, or, as the sign over their entrance announces, "Hand Stitchers of Greatness." Ernest Clackmocker, the house's senior designer, who boasts that he has outfitted more than 50,000 campaigners since he first took up the needle in the Coolidge campaign of 1924, was amused that anyone believed his high-powered campaign advisers were equipped with gasoline guzzlers.

"The high power," he explained, "results from the combination of ingredients put into candidates and advisers. Let me show you what I mean."

* * *

He led the way through a vast room containing all the parts available to politicians — heads, noses, feet, knees, eyes, minds, lips, skins, and so forth. His customers usually start with the head and all want the same thing. He held it up. "Here it is," he said. "Our top-of-the-line cool head. In the old days, everybody wanted the hard head, but now they say that being hard-headed makes them sound dumb. You may have noticed all of them these days are cool-headed."

To go with the cool head they usually want a mind, and nowadays the only kind of model they want is the tough mind. To toughen its minds, Guile, Craft & Bluster put them through three months of basic training that would make a Marine beg for mercy.

After making the politician cool-headed and tough-minded the firm goes to work on the parts needed to round him out. He still has to be nosed, handed, footed, hearted and eyed. This work is done in the Nose, Hand, Foot, Heart and Eye Room, and most politicians emerge looking pretty much alike — hard-nosed, even-handed, sure-footed, warm-hearted and cool-eyed.

There are minor variations, of course. Some politicians prefer being firm-handed to even-handed. Almost all, however, insist on being hard-nosed. The political noses produced by Clackmocker's metallurgists in the firm's famous nose foundry must be hard enough to support a gross tonnage of 50 fund-raising dinners before he will put them on his customers.

* * *

He also keeps in stock an assortment of parts politicians like to buy as gifts for their opponents. These include tender hearts, soft hearts, wild hair, wild eyes, hard eyes, starry eyes, ham hands and half wits.

"Now," said Clackmocker, "we have our basic politician coming down the assembly line." He pointed to one. "Note that it is cool-headed, tough-minded, cool-eyed and hard-nosed at the top. It is mean and chilly up there, but as we move down the torso we see its lovable nature. It is warm-hearted without being tender-hearted. It is even-handed instead of hard-handed. But these gentler characteristics do not make it a stumbling bumbler, for — see — it is sure-footed."

I observed that this was all very well, but that it was still only partly human since it was not tongued, lipped, livered, kneed or skinned. Clackmocker said this was usually by the politician's choice. The firm still turns out a fine quality silver tongue, for example, but few politicians want to be silver-tongued any more. Few politicians these days wanted to be tight-lipped; in fact, the firm quit producing tight lips after Coolidge.

* * *

It has never come up with a popular liver. It still keeps the old lily-liver in stock for politicians who want to send one to an opponent, but even this rarely sells nowadays, which explains why so few modern politicians are lily-livered.

"As for knees," said Clackmocker, "we produce a high volume of the weak variety for export to our customers' opponents, and fortunately they still sell well. If they didn't, the weak-kneed politician would probably vanish, because our customers never, never buy a set for themselves."

Choreographer Nureyev

A Broken Toe Casts Dancer in New Role

By Flora Lewis

PARIS (NYT) — At the world premiere of his new ballet, "Manfred," Tuesday night, Rudolf Nureyev was constrained to watch, not dance. It was obviously a disappointment, the result of a broken bone in his foot during a performance in West Berlin Nov. 4.

But he hasn't had the time, or the self-indulgence, to be gloomy about it.

For one thing, already out of his plaster cast, he expects the bandages to be removed in a few days and is convinced that with intensive practice he will be on stage by early December, well before the end of the run on New Year's Eve.

For another, putting the show together, with the ballet company of the Paris Opera, has been a consuming obstacle course. The idea for the ballet was given to him last spring by Mstislav Rostropovich, the cellist, who told him, "I have a wonderful new role for you." Rostropovich built up the mystery of his revelation for a week, Nureyev said, "and then disclosed it, like manna from heaven."

Something similar happened to Tchaikovsky when a friend suggested he write a symphony based on Byron's poem. It was a decade before the composer decided to do it, then completed the score in a few weeks.

Nureyev decided quickly. He is still glad to accept the roles devised by others, but he has become interested in choreographing "vehicles," as he puts it, for himself. "It is always a vehicle," he said, "but I have to choreograph it on somebody. I can't do it on myself, watch everybody and know all the problems and be in the middle at the same time. So I do it on somebody else, and then afterwards I have to go back and learn the part."

For a number of reasons, he chose Jean Guizerix as his alternate, and that meant doing the ballet with the Paris Opera. But the opera house has only 2,000 seats, and "it is usually occupied with a very successful performance called *relache* [closed]," he said sarcastically. So it was booked into the Palais des Sports, a flexible, domed arena with the hard seats and chilling atmosphere of a stadium, but with a capacity of more than 4,000.

The Moscow Circus moved out of the house in time to permit only three days of rehearsal on the stage. Two days before the premiere, Nureyev stomped around in heavy felt slippers, using a silver-headed cane, but he was soft-spoken. Once in a while he asked for the repetition of a passage to adjust the tempo. During breaks, he went up for quiet chats with the dancers. No show of temperament, no impatience.

"It's a job," he said with an impish grin that illuminated his face and changed all the stern angles into carves. "You get a good idea, you study all about it, and then you see what you can get out of it."

"The thing about Byron is the duality. He says if you wake up and feel famous one day, you must expect to feel infamous another day. There is love and hate, all contradictions. He took his own money to help the Greeks, there were shabby and pathetic episodes, and he died an unheroic death, of a chill. But then he became the symbol of Greek unification, so in his downfall he was up again."

It could have been a projection of his feeling about himself, one of the great stars of ballet history, now at 41 having to face a gradually changing future.

But it didn't seem to be. "I have been a principal dancer for 22 years now," he said. "I have no regret. Well, my gosh, you don't acknowledge that you have the body of youth. It's my life. It means, well, somehow life tastes better when I dance."

And yet, he said gently, "Nature is clever about these things. I'll dance as long as I enjoy it. When it becomes painful, I will find it unpleasant and be dissatisfied. Or you change your repertoire. I stopped myself doing a lot of things because I thought first I must fulfill classical dance. But I've had little tastes of other things. I'd like to work with Martha Graham, modern dance, other things. Maybe choreography will sweep me off my feet."

He laughed. The pun was clearly inadvertent.

He was wrapped in layers of sweaters, brightly striped in green and red, or shades of brown and orange. Baggy brown corduroys encased the extraordinary legs. A brown fur-visored cap was jammed down over the shaggy blond head, shadowing the gray eyes so that all the expressiveness came in the chin and mouth, sometimes pushed into an exaggerated pout of bewilderment or petulance, sometimes curled with glee.

"In the West, the man is a living stick," he said, rapping his cane on the floor, "restricted to the corner. Stand and lift. Nothing worthwhile to do." So much for Balanchine's idea that "ballet is woman." But, Nureyev continued, "Bejart does it the other way. My idea is 50-50, the man and the woman, both dance."

There are several male pas de deux in "Manfred," the figures representing Byron and Shelley dancing together. "Why not?" Nureyev asked. "Does it shock you? Men speak together. Why shouldn't they dance together? Why should a dialogue be only a man and a woman?"

Whatever contradictions may inhabit the heart of Rudolf Nureyev, whatever his concern about the future and his distress at even temporary immobilization, it is obvious that the irritations and frustrations of getting on with "Manfred" and the work ahead are as nothing to his certainties. As he says, he knows who he is. A dancer.

AP

Nureyev in cast.

Keystone

"Manfred" without Nureyev.

PEOPLE: *McCartney's Music To Old-School Ears*

Paul McCartney made a sentimental pilgrimage to Liverpool during the weekend, giving a concert in the city where the Beatles launched their rock revolution. The performance at the Royal Court Theater by McCartney and his band, Wings, was by way of a thank-you to the school where he started song-writing 20 years ago. It was free of charge for 620 boys at McCartney's old school, Liverpool Institute, and 300 girls from a nearby school. "A lot of people knock their school days," McCartney said, "but they were some of the best times of my life." Most youngsters in the audience had not been born when the Beatles had their first hit, "Love Me Do," in 1962, but institute headmaster **Bertram Parker** said they still felt close to McCartney because of the "old school tie." Parker, a geography teacher when McCartney was a student, recalled how the Beatle-to-be tried to keep his song-writing a secret from teachers by covertly jotting down lyrics in exercise books.

* * *

Mexican first lady **Carmen Romano de Lopez Portillo** has asked 12 other first ladies to continue their support for children who are "the objects of selfishness and meanness." Mrs. Lopez Portillo, wife of President **Jose Lopez Portillo**, opened a three-day conference in Acapulco of first ladies who will evaluate the work of International Children's Year commissions. Mrs. Lopez Portillo asked the women not to allow the world to see their work as merely "philanthropic or romantic," and to continue programs for children who are plagued by misery, ignorance and ill health. International Children's Year, a UN project, will end next month; the first ladies, who head the commissions in their countries, will publish an evaluation of the project today, a conference spokesman said.

* * *

Considering the many people who could fill such a role, it may seem surprising that no one before thought of creating a position in American business and education for an official Fool. It fell to **Patricia Nelson**, a Yale graduate student, to suggest that she be appointed the first University Fool, and she emphasized her qualifications in a letter to Yale President **A. Bartlett Giamatti**. She heads a group of New Haven clowns known as Fools Enterprise, Miss Nelson said, adding: "I have been in graduate school here since 1972, and am only now coming close to finishing my dissertation. This alone should cer[illegible] me." Her logic failed to imp[illegible] Giamatti, who wrote back that [illegible] job of University Fool is "a resp[illegible]sibility I am particularly loath [illegible] give up." Undeterred, Miss Nel[illegible] sent off a second letter, saying [illegible] is unjust to ask one man to do[illegible] as president and jester," and a [illegible] days ago she appointed herself [illegible] the position. She hasn't heard fr[illegible] Giamatti yet, but she said, "I ma[illegible] the fool's assumption that sile[illegible] means consent."

* * *

Wes Westmoreland of Gr[illegible] Falls, Mont., a decorated veteran [illegible] the Korean War, wants to re-en[illegible] because of the situation in Iran. [illegible] says all three services have tur[illegible] him down because of his age [illegible] though recruiters have rejected [illegible] Westmoreland said he will ap[illegible] to the Montana congressional [illegible]gation for help. The age limit [illegible] entering the military is 35; W[illegible]moreland is 47. "I would be wil[illegible] to buy my own rifle, my own [illegible]munition, my own uniform," [illegible] said. "It irks me to see these li[illegible] countries push us around."

* * *

Art Baldwin, an 84-year-old Sa[illegible] Claus, says it's the fault of parer[illegible] if some kids are scared of him [illegible] his 18 years as the official Santa f[illegible] the Marshall Field downtown d[illegible]partment store, Baldwin says n[illegible] more than 20 kids have told hi[illegible] they didn't believe in Santa Clau[illegible] He reigns in the store's "Co[illegible] Cloud Cottage," where he talks [illegible] about 600 kids during his five-[illegible] daily stints. "Some children [illegible] scared of Santa," he said. "For th[illegible] same reason some are scared [illegible] cops. Their parents use Santa or th[illegible] police as whips. They tell their kid[illegible] if they don't do this or that or [illegible] they are naughty, Santa won't bri[illegible] them anything for Christmas. I wo[illegible] they wouldn't."

* * *

"Sesame Street," the children' television show that has influenc[illegible] millions of people in 50 countries, [illegible] 10 years old. The show that intr[illegible]duced Cookie Monster and Big Bi[illegible] begins its second decade on pub[illegible] television today, and, passing [illegible] milestone, its creator, Joan Gan[illegible] Cooney, had a sobering observa[illegible]tion. "I don't believe we've done [illegible] great deal for television," she sa[illegible] "When 'Sesame Street' began, it [illegible] was only one daily commercial n[illegible] work series for children: 'Capta[illegible] Kangaroo.' And today, there a[illegible] daily network series for children [illegible] 'Captain Kangaroo.'"

— SAMUEL JU[illegible]

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FULLY BILINGUAL SECRETARY,